

HE
28.0
C 3
56
Bud

NE

GO

J. R. Inch

SPEECHES

NEW BRUNSWICK REPRESENTATIVES

IN

DOMINION PARLIAMENT

IN

OPPOSITION

TO THE

GOVERNMENT'S RAILWAY

AND

TARIFF POLICY.

1881.

N

G

J. R. Inch

HE. N 535

C

SPEECHES

OF

NEW BRUNSWICK REPRESENTATIVES

IN

DOMINION PARLIAMENT

IN

OPPOSITION

TO THE

GOVERNMENT'S RAILWAY

AND

TARIFF POLICY.

1831.

OTTAWA :

PRINTED BY C. W. MITCHELL, AT THE "FREE PRESS" OFFICE, ELGIN STREET.
1881.

SE

G

M
hau
both
diffi
But
econ
Rail
by
who
pert
such
the
poli
wou
ents
econ
mos
Hac
187
for
and
Pac
any
it, a
Ho
opp
tha
mu
to a
in a
it c
kno
par
Few
dati

SPEECHES OF NEW BRUNSWICK MEMBERS

IN OPPOSITION TO THE

GOVERNMENT'S RAILWAY AND TARIFF POLICY.

MR. ROGERS.

January 11th, 1881.

MR. ROGERS said : After the very exhaustive arguments of hon. members on both sides of the House, it may be difficult to advance much that is new. But the scheme now before us for the construction of a portion of the Pacific Railway by a Syndicate and the balance by the Government, the ownership of the whole line becoming the absolute property of the Company, involves not only such a large amount of money, but also the progressive development and future political standing of Canada. That I would hardly do my duty to my constituents or myself by giving a silent vote in condemnation of what I conceive to be a most unfortunate and ill-advised scheme. Had I occupied a seat in this House in 1871, when the resolutions was passed for the admission of British Columbia, and making it imperative to reach the Pacific coast within a limited period at any cost, I believe I should have opposed it, as I think a very large majority of this House would now do if they had the opportunity, because it appears to me that that provision has been the basis of much subsequent trouble. In the effort to accomplish so great and costly a work in advance of popular opinion, and before it could be justified by population, or known resources, both great political parties have met with embarrassments. Few people, looking to the future consolidation and permanency of this Dominion,

are wanting in the hope of eventually securing a railway to the Pacific Ocean. But as every branch of the business of life and the dreams of future greatness and wealth can only be properly realized in their full fruition by prudence, economy and foresight, the history of all successful countries, as well as the individuals comprising them, teaches the danger of rashness and speculative recklessness in aiming at great achievements. How often do we see farmers and business men bringing ruin on themselves and their families by mortgaging their property for a fine house or other luxury which they might have obtained and enjoyed by gradual thrift and economical management. The Ministers and their supporters who glorify themselves so persistently now for what they have already done in inaugurating so hastily these proposed large expenditures, and creating such enormous liabilities involving taxation and disaster, are not gaining for themselves laurels, or securing for themselves the gratitude of the people whose servants they are. They may tell us a railway from ocean to ocean at any cost is a work of immediate necessity involved in the terms of Confederation, that it will bind together still more closely Canadian interests, and solidify the whole Dominion. I beg to dissent from any such view—I believe the opposite. The development of the good lands in the North-West, and the gradual extension of a railway therein so fast as required for the benefit of settlers, and an ultimate extension of the line to the Pacific when the country becomes able

to provide for it, would be the wisest, safest and statesman-like course to pursue. At the time of Confederation the Maritime Provinces were deluded with assurances of leading public men that the tariff would not be increased beyond 15 per cent. on imports, and that less than that was probable. New Brunswick has already been subject to the payment of a large annual sum as the result of a breach of faith in raising duties on imports beyond the 15 per cent. at the time of Confederation to the present high tariff. The natural channels of trade have been obstructed, and the business of the Province more or less retarded. By the conditions of the contract which the House is asked to accept, the debt of the Dominion will be very largely increased. As New Brunswick contributed about one eleventh part of the revenue, her portion of the debt may be fairly set down at five millions of dollars. Allowing for an increase of population since last census, we will have 50,000 families, with a debt of \$100 to each family. Interest at 5 per cent. will be \$5 a year tax—or by the per head, \$16.66, or 83 cents per year, and this is without providing any sinking fund for the extinction of the debt. This is three cents more than we receive per head from the General Government. This sum, in addition to our local taxes will, I fear, do but little to retard the present exodus of a part of the most desirable portion of our population from the country to the neighboring Republic. In addition to this large money grant of \$25,000,000, and 706 miles of road completed, costing about \$35,000,000, we are asked to hand over to this Syndicate 25,000,000 acres of selected lands, which are now valued by hon. members opposite at one dollar per acre. The hon. Minister of Railways has failed to take the House into his confidence and tell us why in his estimation the value of these lands has depreciated so much since the Session of 1879. At that time by resolution brought down by himself, and voted for by hon. members opposite, they set apart 100,000,000 acres of land for the construction of the Canadian Pacific Railway, and vested the power of sale in a commission specially appointed for that purpose. The hon. the Minister of Railways said at that time, only two years ago:—

"Exception may be taken to the minimum price of \$2 an acre, but who is there who will not say, looking to the character of lands in the North-West, that the settler will not prefer to pay \$2 an acre for land within 20 miles of a railway that will bring his produce to market than have as a free gift land without railway facilities."

They go on further to say that it is their opinion the selection of the Burrard Inlet route is premature. They soon changed their minds in that particular, and adopted that route. I hope they will change their minds if this resolution is carried as quickly and abandon the contract. I have still higher authority. In referring to the sale of these lands two years ago, the right hon. the leader of the Government said:—

"We are going into the English market; we will tell England: Here, we are going to build a great railway across this continent. It is going to pass through one of the finest countries the sun shines on, and will be the happy home of millions of descendants of Englishmen. Every immigrant that settles there will be an additional strength to England. We offer you a great road, the shortest to be found in the world for your trade, across the continent to China and Japan and all the North Pacific, and besides that, we offer you the credit of Canada, the consols of Canada. It will be a special and favored stock, and when put into the English market, the capitalists of England will find in all a profitable investment. Canada says: We pledge you our faith for all the money, besides 100,000,000 acres of land, worth \$2 an acre, and we pledge you, besides, the road itself. Never was stronger security given. The consols of England are not stronger, or based on a stronger condition than will be the amount that will be required to build that road. We will allow the British Government to choose one Commissioner, we will choose another Commissioner, and those two men shall hold a quasi-judicial position, somewhat like the Auditor-General in England, and the Auditor-General here, free from all political exigencies, from the chance of all political change. They shall be charged to faithfully and honestly administer that enormous estate of 100,000,000 acres, to invest it in Dominion securities, not to sell any land under \$2 an acre, except with the joint consent of the two Governments, the Government guaranteeing and the Government borrowing, and, besides all that, to administer the operation of the railway itself. I have faith in the future of the railway. On the extreme east and the extreme west we have a difficult and rugged country, but the main body of that railway passes through a magnificent country, which will be the happy abode of millions. Just consider what a hand, if I may use a simile from the gaming-table, a Minister would hold, who should go to England and say, not only is the credit of Canada pledged for this road, but 100,000,000 acres of land are set aside for it,

to the minimum
there who will
er of lands in the
ill not prefer to
20 miles of a
duce to market
without railway

ay that it is
of the Burrard
They soon
at particular,
hope they will
resolution is
ndon the con-
thority. In
ese lands two
leader of the

ish market; we
going to build
ntin nt. It is
finest countries
he happy home
fishmen. Every
be an additional
er you a great
the world for
to China and
o, and besides
of Canada, the
a special and
to the English
and will find in
ada says: We
money, besides
\$2 an acre, and
itself. Never
The consols of
ed on a stronger
nt that will be
e will allow the
Commissioner,
missioner, and
quasi-judicial
ditor-General
General here,
gencies, from
ange. They
and honestly
of 100,000,000
on securities,
\$2 an acre,
of the two
guaranteeing
and, besides
eration of the
the future of
east and the
t and rugged
that railway
untry, which
illions. Just
y use a simile
r would hold,
y, not only is
this road, but
et aside for it,

not to speak of this great railway itself and all its future earnings, which is to be built by Canada and kept free from incumbrances. * * We can judge of the value of those lands by the average value of the lands in the United States. More good land will be pledged to build the Canadian Pacific Railway than was given to build the Northern, or the Union Pacific, by far. On the one, the average value was \$6 50, and, on the other, \$4 50 an acre, and those United States lands are selling now at \$20, \$30, and \$40 in favorite places. We are very moderate in our calculations, then, in estimating \$2 as the average for the 100,000,000 acres we propose to give, and which will yield \$200,000,000 at least."

It has been already shown by previous speakers that in opinion of the hon. leader of the Government, as expressed during the Session of 1880, the value of the lands had not since depreciated. Section 7 of the resolutions adopted 12th May, 1879, runs as follows:

"That said Commissioners be authorized to sell from time to time, any portion of such lands, at a price to be fixed by the Governor in Council on their recommendation, at a rate not less than two dollars per acre, and that they be required to invest the proceeds of such sales in Canadian Government securities, to be held exclusively for the purpose of defraying the cost of the construction of the Canadian Pacific Railway."

By this resolution hon. members declare that 100,000,000 acres of land in the North-West are worth, at the lowest limit, two dollars per acre. Now, two years later, with the improvement in foreign trade, and the benefits claimed to have been brought about by the National Policy, not 100,000,000, but 25,000,000 acres selected from this 100,000,000 are only worth one dollar per acre. The principal justification for giving such a large sum of money and grant of land is that the conditions are better than those offered by the hon. member for Lambton when he was in power. Well, Sir, that is a strange argument for the hon. gentlemen opposite, for they were, when in opposition, continually telling the country that the route, since adopted by themselves, was not only wrong, but that any plan of his for building the road was certain ruin to the country. But, Sir, the hon. gentleman never proposed to give any company absolute control and to erect a land and railway monopoly in the North-West. By the Act of 1874, the Government retained control of two-thirds

of the lands which were offered for one dollar per acre, and the proceeds to go to the company constructing the road. If the provision for the sale of the lands at this rate were contained in the present contract, that portion of it would not be objectionable. The Government also retained control over any company building the road by the 10th section, which read:—

"In every contract for the construction of the said railway or any section or sub-section thereof, the Government of Canada shall reserve the right to purchase under the authority of Parliament, the said railway or such section or sub-section thereof, on payment of a sum equal to the actual cost of the said railway, section or sub-section, and ten per cent in addition thereto; the subsidies in land and money granted or paid by the Government for the construction of the said railway being first returned or deducted from the amount to be paid, the lands being sold being valued at the full amount the contractors may have received from the sale of such as may have been sold."

By this section the Government could at any time, if Parliament thought an injustice was being inflicted upon the people of the North-West, assume control of the road at a small cost beyond the subsidies. By the present scheme the Syndicate will have absolute control of all subsidies, and if at any future time, or commercial reasons, or otherwise, it is desirable that the Government should become possessors of the road, they would have to treat with the Company as with a foreign nation, having by this Act parted with all subsidies, and in fact created a greater power in the North-West than themselves. With these increased burdens and restrictions to the freedom of our people, I fear that they who would loyally turn our great North-West, will be intimidated and seek for themselves homes in the United States. This, Mr. Chairman, I very much regret, for I believe this Dominion, with a healthy climate, a large area of land fit for settlement, an extensive forest—rich in mines and minerals, the development of which is only in its infancy—extensive rivers and inland waters, in addition to having one shore washed by the waters of the Atlantic and the other by the Pacific, offers homes for a large population equally as good as any other country on either continent.

MR. GILLMOR.

January 24th, 1881.

Mr. GILLMOR said: Before I enter upon the question under discussion, I wish to correct an error I made in a few remarks I delivered a few nights ago. I said then that two papers published in New Brunswick, in the Conservative interest, had published the great speech of the Minister of Railways, but they had not published the contract. Since then I have learned that one of those papers did publish the contract on the 23rd of December. I take this first opportunity to correct the error I then made. It was a mistake I regret to have made. I would like also to refer for a moment to the manner in which this question has been discussed. You have given, Mr. Speaker, a good deal of latitude to this discussion. I do not object to that at all, but the epithets which have been applied to the members of the Opposition have been, some of them, very offensive. I took notes of the speeches, and I find these epithets thrown across the House: "guilty traitors," "factious demagogues," "quibbling pettifoggers," "proud of the audacity of their trickery," "they hang their heads in shame because 'their leader has so degraded the country,'" "unpatriotic and disloyal," "a put up job," "an incendiary fire," "conceived without honor or honesty," "a fraud," "a villainous fraud," "outcast," "not fit for heaven." This is evidence rather of a weak case. It occurs to me that hon. gentlemen having so good a cause as they profess might discuss it without descending to such language as this. On Friday evening the hon. and venerable member for Glengarry (Mr. McLennan) undertook to read the Opposition a lecture and indulge in a little sarcasm. I thought he was going to attempt to reply to the hon. member for North Brant (Mr. Fleming), and he did give a little attention to that hon. member, while he devoted the rest of his remarks to advising the Liberal party as to the qualifications of their leaders. We cannot expect perfection in any human institution; but I would like to inform that hon. gentleman that one of the most important qualifications we require in our leaders is purity of heart and life, and no man, however exalted his talents

or position, can aspire to lead the Liberal party unless he has those qualifications in a very high degree. With regard to the powers of intellect or the ability of our leaders—and I am here to flatter them—the members of the Reform party will not follow any man blindly. They cannot lead the Reform party unless the Reform party believes their policy to be beneficial to the country. It is an evidence of the weakness of their cause that hon. gentlemen opposite have taken up most of their time by rehearsing the speeches made by the hon. member for Norfolk, the hon. member for Lambton and the hon. and learned leader of the Opposition. This plan was adopted in the first instance by the hon. Minister of Railways. On looking over his speech I find that he has quoted fifty-seven paragraphs from those speeches. Those speeches have not been perused for the purpose of admiring their logic, their eloquence, or their argument. They have been criticised for the purpose of finding out defects and blemishes. They have been read with the instinct of birds of prey who are above the earth and look down on the green fields and flowery meads, and all the beauty of the landscape below, but are not attacked by anything beautiful there. They have no taste for the beautiful. But if a vulture can see a dead horse, if he can get his eye on carrion of any kind, or on something that is corrupt, he will pounce immediately to the earth and stick his bill in it. I wish to make no comparisons, but if hon. gentlemen on the other side want to find corruption they need not go far from home. I was glad to hear my hon. friend the Finance Minister speaking on this question. He ought to speak on this question. He is the sole representative of New Brunswick in the Government. He has been placed there by the suffrage of the people. He is the arbiter of the destinies of New Brunswick at present. He has not, it is true, any more of a following now than he had when he led the people of his Province into the adoption of the great Pacific Railway scheme. It is true he does not represent the majority of the people, or the opinions or wishes of the people of New Brunswick. Yet I had fair hope to hear him undertake to prove that, in addition to all the other burdens he had

d the Liberal
qualifications
ith regard to
e ability of
re to flatter
reform party
ind'y. They
y unless the
policy to be

It is an
their cause
e have taken
hearing the
member for
for Lambton
ader of the
adopted in
on. Minister
er his speech
seven para-
es. Those
used for the
logic, their
They have
e of finding
They have
birds of prey
look down
very meads,
scape below,
thing beau-
o taste for
ulture can
an get his
or on some-
ill pounce
d stick his
o compari-
n the other
they need
as glad to
ce Minister
e ought to
s the sole
rick in the
aced there
He is the
ew Bruns-
it is true,
en he had
Province
at Pacific
does not
people, or
people of
ain hope
e that, in
ms he had

heaped upon the people, this burden would be to their advantage, that this additional debt of five or six millions that is to be heaped on them is going to produce some sort of compensation. He failed, in my opinion, to show anything of the kind. I hope my hon. friend will give a reason why he should not save to the people of New Brunswick at least a million dollars between the two offers now before us. I took some notes of the hon. gentleman's speech. First, he says:

"We are bound to carry out the conditions entered into with British Columbia."

Mr. Speaker, I have never heard a member of the Reform party dissent from that proposition. There was no necessity of dealing with that question. It is a settled fact that the Dominion of Canada have entered into an obligation to build the Pacific Railway. The only question is as to the time and the abilities of the Dominion to undertake that work. That obligation is accepted by the leader and all the members of the Opposition, and I have never heard any intimation on this side of the House of a desire or intention to repudiate it, because, however earnestly they may have reasoned against that obligation, yet they regard it as imposed upon this country by the gentlemen now on the Treasury Benches. When they were defeated, and the Reform party came in power, did the Reform party undertake to repudiate that obligation? As much as they disapproved of it, they never expressed a sentiment that could be construed into a repudiation of it. The question they asked themselves was, how soon can we, with the resources of this country, carry out in good faith our obligations with British Columbia? Did not the hon. member for Lambton do as much in the five years of his administration as hon. gentlemen opposite would have done if they had been in his place? And have they not approved for the most part of the manner in which he did his work during that time? The nearest approach to repudiation I have seen was made by the hon. Minister of Railways in a speech, a small portion of which I will take the liberty of reading. In a speech made by that hon. gentleman in the Session of 1880, he said:

"Now, I think, we must all admit that successive Governments must pay great difference

to, and must hold themselves to a large extent responsible for carrying out the policy of their predecessors. I am satisfied we all agree in the opinion that it is only under the gravest circumstances that a new Administration is in a position to repudiate. If I may so speak, the engagements in relation to a great public question, to which their predecessors have committed the country under the authority of Parliament. But I quite admit it was in the power of the hon. gentleman, who was then called upon to form an Administration, to say that since, in Parliament, he has opposed the policy of attempting to construct the Canadian Pacific Railway, that he believed this country could not engage in a work of such gigantic magnitude without seriously injuring the financial position of the country—that, under those circumstances, he must decline to hold himself responsible for the engagement into which his predecessors had entered. The hon. gentleman had that course open to him, because, Parliament having declared that the work should only be constructed, provided a company could be found, aided to the extent before stated, to accomplish it as a private undertaking, and the effort to obtain the construction of the work under the terms sanctioned by Parliament having failed it was open to him, I say, frankly to state to the House that he was unable to carry out the policy to which his predecessors had committed the country. The hon. gentleman did not adopt that course."

I do not mean to say that that speech implies repudiation, but it implied that under certain circumstances we might repudiate the bargain. That was not the opinion of the then government. The Reform party, notwithstanding their strong Opposition to the ruinous scheme, have done all that British Columbia could reasonably expect, all that our resources could justify. If they had erred in one thing, it has been going beyond the resources of the country; they increased the public debt to an enormous extent, and burdened the people by going on with the work, yet I do not know how they could honorably or reasonably have avoided it. The Finance Minister said: "It is very strange that gentlemen included in this new Syndicate, who were known to be opposed to the building of the Canadian Pacific Railway, are now willing to become parties to the contract." I know of no reason why gentlemen having the disposition and the ability to become parties to a contract to build the Canadian Pacific Railway should not do so, notwithstanding in their opinion, the work in the public interest should not be gone on with. He says: "The Reform Government should have gone on with the work in 1875, 1876 and 1877, during the great

depression of trade, and thus have prevented the depression and ushered in good times. I am not surprised to hear this from the Finance Minister, whose political policy it is to bring about good times, by getting the country into debt, by undertaking a large amount of unproductive work and increasing taxation. He says: "Leading Liberal papers were encouraged to prejudice the case previous to the meeting of Parliament, and before the contract was made known." That is not my experience. I believe that leading Liberal papers, in the Lower Provinces at least, were very careful of what they said in reference to this contract before the meeting of Parliament. They knew nothing of the details and were nowhere prejudicial against the contract. He said: "The new Syndicate had no intention of building any but the central section." If the hon. gentleman read the offer and interpreted it correctly, he would see that the Syndicate agreed to build the whole section from end to end. The alternative rests with the Government. But to whom is this proposition made? It is not made to the Reform Government, but to the gentlemen now in power, who, under that new offer, have power to compel the parties to build the road from end to end, as in the contract under discussion. He says: "The country finds great relief, now that it knows the extent of its liabilities." There is uncertainty under this contract, with regard to the extent of our liabilities. The Government have become contractors with the Syndicate to build 706 miles of railways, and the Syndicate have contracted with the Government to build the balance of the road. The country knows what they agreed to give the Syndicate but does not know what it will have to pay for the road to be built by the Government. He pretends that tenders had been asked by the Government, that the country were notified, and tenders could have been received if presented. He gave as his reasons for stating that they were prepared to receive tenders, that the leader of the Government had given notice to this effect in his speech at Bath. Whoever heard of a notice being given to the country in that way, when great public works were about to be let? That is not the way in which a government should proceed. If a light-

house, or a post office, or any public work is to be let, public notice is to be given and tenders are not solicited in that way. I am sure the country were entirely ignorant of the intentions of the Government to let the work in this manner. He said: "The old Syndicate could not abandon the eastern and western section, but the new one could." The hon. gentleman knows very well the new Syndicate could not abandon the eastern or western section. He said: "Any proposal that falls short of building from ocean to ocean, I would not support." The new Syndicate does not propose to do more than that. Those lands, one-third to be granted under the Act of 1874, were taken possession of by the Government for the purpose of preventing their being held and being disposed of by a monopoly. They desire to dispose of them as rapidly as possible, to prevent a company from holding them at the expense of the settlers and of the Government lands. With regard to the building of this great, and expensive, and gigantic undertaking, I will state, not the policy and opinion of the Reform party, but simply my own. I think the Dominion has done enough and been liberal with regard to their expenditure of the Pacific Railway, in the opening up and making accessible lands for settlement in the North-West, and that they have gone to the extreme of their abilities in this matter. When they have completed the sections of the railway under construction, they will have spent for the railway \$35,000,000; purchase of Hudson's Bay Territory, \$1,500,000; compensation to the Indians, \$600,000 per annum, which, if capitalized, makes the sum equal to \$15,000,000; expenditure on Dominion lands, Surveys, Mounted Police, Indian payments, Red River expeditions and minor items, \$11,183,000—Total, \$62,683,000. This the people will have to expend to open up the North-West, for those who are there and those who may be induced to go there in the future. I contend that that enormous sum is more than we could have been properly called upon to expend for this object—that we have done our whole duty to the North-West in this respect. I would not, if I had the power, build more than 50 or a 100 miles a year of this road, just enough to keep in advance

of the
This
witho
people
The
will
those
Territ
will
year
dian
Pemb
go to
doubt
to be
Amer
and
that
the
faster
forge
for a
large
want
millio
above
want
there
First
its d
ment
famo
which
given
nativ
work
it el
the
were
befo
proy
Min
100
of
sche
troo
Gov
goi
Bri
it v
our
the
Co
ten
no
fo
Th
ra

y public work
s to be given
l in that way.
were entirely
of the Govern-
mannor. He
e could not
stern section,
The hon. gen-
e new Syndi-
e eastern or
"Any pro-
uilding from
not support."
st propose to
lands, one-
the Act of
n of by the
of preventing
disposed of by
o dispose of
to prevent a
t the expense
Government
building of
rd gigantic
t the policy
party, but
e Dominion
een liberal
ture of the
ing up and
settlement
they have
abilities in
e completed
under con-
spent for
urchase of
1,500,000;
\$600,000
zed, makes
; expendi-
ys, Mount-
Red River
11,183,000
the people
en up the
are there
to go there
that enor-
ould have
xpend for
our whole
is respect.
wer, build
a year of
n advance

of the settlement in the North-West. This is all we should do, or are able to do without grinding down the energies of the people who have to furnish this money. The road from Thunder Bay to Selkirk will be completed in a year or two, when those who are two loyal to cross American Territory to get to our North-West will have seven months in the year for the journey by a Canadian route: in addition we have the Pembina Branch, and those who want to go to the North-West, and are not so doubtful about their loyalty, or are afraid to be weaned from it by travelling over American soil, can go through the States and use that branch. I do not think that the interests of the North-West or the Dominion require our proceeding faster with this work. We ought not to forget the people who are struggling hard for a living throughout the Dominion, the large majority of whom though not in want are comparatively poor; these millions have little to expend over and above the payments for their necessary wants. With regard to this great work there have been five distinct proposals. First, the Allen contract, which, with all its defects, was preferable to the arrangement on the Table; next, came the famous Mackenzie Act of 1874, under which no offers were made or contracts given. The Government had the alternative in that case of going on with the work themselves, and they did go on with it slowly, but as fast as the interests of the country demanded, and its resources were justified, completing certain portions before they left office. The next proposition was that of the present Minister of Railways to appropriate 100,000,000 acres for the completion of this railway. That was a great scheme, and he made a great speech introducing it. We were led to believe Government would succeed; they were going to make a co-partnership with the British Government, and persuade them it was for our mutual advantage, and that our Government could find homes for their surplus population of the Mother Country in the North-West; our Ministers went home and did their best but did not succeed, on their coming back we found the whole scheme had collapsed. The Government then undertook this railway as a Government work, and we

were told that tenders had been received for the construction of 127 miles in the Rocky Mountains, proving the Government had decided to proceed with it. That proposal was met by a motion of the leader of the Opposition, which was defeated, and the Government went on with the construction of the road as a Government work. The next, last and worst proposition that has been made is the one now before Parliament. With regard to this last and worst proposal ever made to Parliament, we knew little about it until we came here on the 10th of December. All that we knew before Parliament met was that \$25,000,000 and 25,000,000 acres of land were to be given to build the Pacific Railway. I freely admit that that proposal struck me favorably, and I so expressed myself to my constituents. I consulted some of those best qualified to give me advice on this matter, and they told me I could form no opinion about it until I had seen the terms and conditions, as everything depended on them. I came to Parliament impressed with the idea that if they suited me, if I considered that they embodied the best means of building the road, I would vote for them honestly and independently. They were laid on the Table of Parliament on the 10th December, for, of course, they could not be placed before us before that date, according to the opinion of one of the best parliamentarians in the Dominion, the leader of the Government. The dignity of Parliament, he told us, prevented him from making known to the people the terms of the contract. Of course, I did not know much about this question of the dignity of Parliament, but I could not see how it could be offended in the least degree by taking the people into the confidence of the Government and letting them know what terms and obligations the Government was imposing upon those who are the masters of Parliament and the Government, those, at whose will the members of the Government and of the House hold their seats. The contract was placed before Parliament on the 10th December, and I know I am expressing the opinion of every intelligent man on both sides who read the contract, when I say that one and all condemned it. I think I am some judge of countenance, and can tell by a man's face when he is

pleased and when he is displeased---when he is satisfied and when he is disappointed. The first impression of every man when he read the contract was against it, and as is generally the case, in matters of right or wrong, the first impressions were the best. And if the friends of the Government had stuck to their first impressions, if they had only been true to their honest conviction, they would have saved themselves many a sorrowful moment, and would have saved their country from burdens which this contract will lay on it—burdens which will crush all down the ages to its ruin and destruction. I think my hon. friend from Niagara (Mr. Plumb) was about the only bright particular star—his face the only one which did not immediately go under a cloud. Nothing the Government could do, could change the smiling face of the hon. member for Niagara, who seems always anointed with the oil of gladness. But I knew by the faces of other hon. gentlemen how they felt, and I knew by the faces of the Government that they, too were blue. And what was the remedy for the terrible shock which hon. gentlemen received? A caucus was summoned and the whips were told to give the order: "To-morrow we are to hold a caucus and see what is to pay! The deuce was to pay, and no pitch hot. And next day, let us look at them. Young men in the vigor of youth, and grey hairs of age, with their heads bowed like bul-rushes; they passed through these doors, they trailed along the corridors, through the lobbies and up the stairs like slaves chained to their dungeons, cursing the man who led them to their fate. They may tell me that they approved of the contract; but I know better. They marched into room No. 29 to the tune of the "Dead March" in *Saul*. Much as they esteem their gallant leader they would rather have followed him to his grave than to that caucus. Do you think they went to glorify and laud and magnify the leader of the Government on that occasion. By no means; it took them a good while before they began to magnify and glorify him. He had to pass the magic wand a great many times over their heads before they were reconciled. I can imagine the hon. Minister of Railways being there to examine them before they went out. He said, "Show me your tongue," and he said to them: "Of course

you are not dangerously ill; if you only hold your tongue—keep quiet and be very careful, you will pull through." To another: "Let me feel your pulse; you are certainly a little feverish, but you will be all right." So they went out, and they have since been recovering, until now nearly the last man has made up his mind to bow the knee to Baal and let the country go to the dogs. The Minister of Railways said that the line north of Lake Superior was necessary to the maintenance of British institutions in this country. That is a poser; when they come to that, there is no meeting that argument. That hon. gentleman seems to be superloyal. I do not know much about him personally; but I fancy he is not much more loyal than other people, or that he is much more attached to British institutions. He is remarkably attached to British institutions, when it suits his purpose and political exigencies require it. I warn my friends from Quebec to watch the hon. gentleman. He is so loyal, I would not be surprised if he introduced a resolution declaring that only Anglo-Saxon should be spoken here. He is very loyal, when it may effect his own purposes. He now wants to adopt British institutions, and he is so remarkably loyal that he wishes people to travel round the north shore of Lake Superior to reach the North-West. How did these hon. gentlemen deal with the question of loyalty and love of British institutions formerly? They condemned one set of British institutions. They were not loyal with regard to free trade. They did not desire to adopt British institutions in that particular, and give the people cheap bread. It was Canada for the Canadians then, and they almost insulted Britain and British statesmen. They did not want to follow Britain's good example and adopt their trade policy—the best part of their institutions, that policy which would give the people cheap food and clothing—but they wanted to adopt that part of British policy which has been fixed upon the British constitution in ages past, and which was now shaking Britain to its very centre. They desired to adopt that part of the constitution which the best minds in Britain are trying to remove; they wanted to tack that part of the British constitution on the constitution of

this c
hon. g
institu
last y
Policy
States
to foll
that
amoun
about
I can
the p
have b
the Co
ernme
will h
their c
then
an Ac
be vic
placed
for to
they f
havin
tende
might
Gover
they
they
timely
tract
tende
conce
contr
lands
ation
All
dock
land
struc
duty
Indi
extir
to s
road
terr
way
Con
of t
for
to
Gov
all
bui
yea
com
fift
suc

ll; if you only
 et and be very
 ough." To
 ur pulse; you
 h, but you will
 went out, and
 ring, until now
 de up his mind
 and let the
 he Minister of
 north of Lake
 he maintenance
 this country.
 come to that,
 gument. That
 be superloyal.
 him personally;
 ch more loyal
 he is much
 titutions. He
 British institu-
 ose and politi-
 I warn my
 atch the hon.
 I would not
 d a resolution
 Saxon should
 ry loyal, when
 ses. He now
 titutions, and
 at he wishes
 north shore of
 North-West.
 atlemen deal
 loyalty and
 as formerly?
 British insti-
 yal with re-
 d not desire
 ons in that
 eople cheap
 e Canadians
 lted Britain
 ey did not
 od example
 y—the best
 that policy
 cheap food
 ed to adopt
 which has
 constitution
 ow shaking
 hey desired
 constitution
 Britain are
 wanted to
 e British
 titution of

this country. It suits the policy of
 hon. gentlemen now to point out British
 institutions which we should adopt; but
 last year, on introducing the National
 Policy, they pointed us to the United
 States for our institutions and invited us
 to follow them. I have no patience with
 that kind of sentiment; it does not
 amount to anything; it is folly to talk
 about it. With respect to this contract,
 I can say in all seriousness that it was in
 the public interest that tenders should
 have been asked for the construction of
 the Central Pacific Railway. The Gov-
 ernment owed that to the tax-payers who
 will have to meet the expenses. It was
 their duty under the Act of 1874 that was
 then upon the Statute-book, because
 an Act passed by Parliament should not
 be violated by the Government, for it was
 placed there for a purpose, to have called
 for tenders under that Act. I think
 they failed very much in their duty in not
 having observed the law and asked for
 tenders, so that the public and capitalists
 might have known not only that the
 Government wanted tenders, but that
 they were to make concessions such as
 they have made, secretly and clandes-
 tinely to this Syndicate, so that all con-
 tractors might intelligently have sent in
 tenders. Now, what are these enormous
 concessions made to the Company? The
 contractors have to select the choicest
 lands. The line is to be free from tax-
 ation for twenty years or until settled.
 All the lands required for stations and
 docks are a free gift in addition to the
 land subsidy. The material for the con-
 struction of the road is to be admitted
 duty free. Should the Company choose
 Indian lands, the Government have to
 extinguish the title. The Company may
 to some extent change the route of the
 road, taking it even further down to that
 terrible parallel, forty-nine. The right of
 way and road-bed are given free to the
 Company. The railway and all property
 of the Company will be free from taxation
 for ever. The Company have the right
 to construct all branch lines, and the
 Government must give the road-bed and
 all lands required by the Syndicate for
 building ground, yard, etc. For twenty
 years the Government shall not charter
 companies to construct its lines within
 fifteen miles of the boundary line, except
 such lines as shall run south-west or west

of south. This is a very objectionable
 feature in the contract. I cannot con-
 ceive why the people of the North-West
 should be prohibited from associating
 with the people on the south side of the
 boundary line. Who are they? Are
 they Hottentots, savages, or cannibals, a
 race with whom it would be dangerous to
 associate? No; they are English, Irish,
 Scotch, French and Canadians, of the
 same flesh and blood, and speaking the
 same language as ourselves. If it is to
 the interest of the people of the
 North-West to associate with those
 across the line, why should we pre-
 vent them by law? If it is to
 their interest to build a railway south of
 the point specified, why should we legis-
 late that for twenty years no such road
 shall be built, except by the Syndicate.
 No other line should go there, according
 to the Government's proposal, however
 much the commercial condition requires
 it. The Government had inaugurated a
 policy which cannot succeed. You may
 make laws to that effect, but you cannot
 overturn the laws of commerce, and of
 nature, and the laws of God. You ven-
 ture upon a policy that, instead of per-
 petuating British institutions in Canada,
 will have the effect of making the people
 dissatisfied, driving them from the coun-
 try, and producing confusion and anarchy
 in the future. You played upon the
 loyalty of the people, you played upon
 their prejudices, till you carried out your
 purposes. I am astonished that in this
 enlightened age, among people so intelli-
 gent as ours, you should have ventured
 in this nineteenth century to enter into
 such a policy as you now propose. It
 will be a signal failure, and the disatis-
 faction and evil that will follow will not
 tend to make the people loyal. The
 policy of the present Government has
 been to prevent us from doing that which
 it was our interest to do. They have
 undertaken to do away with all natural
 law, to make us go the longest way
 round, to make us travel as far as they
 can to get to any part of the Dominion,
 to make us trade with people that it is
 contrary to our interest to trade with,
 and they tax us if we go where it is our
 interest to trade. They are acting con-
 trary to all reason, to all common sense,
 and contrary to sound political principle.
 Coming back to this Syndicate bargain,

find that the 11th clause provides that the property of the Company, the road and lands, are to be freed from municipal, provincial, and Dominion taxation for ever. I need not comment upon that, it speaks for itself. It is the most absurd thing that could have been imagined. In fact, none of these propositions could have been thought of by the Government; they must have been suggested one and all by the Syndicate, and the Government did not resist them. For some reasons of which I cannot conceive the Government yielded all these concessions: the Government must construct the line from Thunder Bay to Selkirk, from Kamloops to Yale, from Yale to Port Moody, more than 700 miles of the hardest part of the line, and hand it over to this Syndicate for ever. That is getting this Pacific Railway built with a vengeance. That is giving the road to a Company by contract with a vengeance. The Government have got ten years to do it in, and the people that were to be delivered from corruption by the Government giving the work to a Company have got to suffer for ten years longer. If it is expensive for the Government to build the railways, the people have got to bear that expense for ten years longer. As long as the Syndicate works at it the Government work at it. They are in partnership. They have entered into partnership, not only to build the Pacific Railway, but to take charge of this country in the future. What the Government cannot do the Syndicate will help them to do, and what the Syndicate wants the Government can help them to it. This superloyal Government—what have they done now? They have allowed the Company to fix their head offices either in the Dominion of Canada or in the United States. That is Canada for the Canadians? The whole length of this road I find to be 2,689 miles. The Government are to build 704 miles at an estimated cost of \$35,369,000. The Company are to build 1,985 miles which, according to Mr. Fleming's estimate, will cost \$48,500,000. The Government subsidy to this Company is \$25,000,000 in cash, 25,000,000 acres of land, and it is certainly not an over-estimate to call the land worth \$2 an acre. The land and cash subsidy, then, would make \$75,000,000 which the Government propose to give to

the Syndicate to build a road which their own engineer estimated would cost \$48,500,000. Take \$48,500,000 from \$75,000,000 and it leaves \$26,500,000 that you propose to give the Syndicate more than the Government engineer estimated this work would cost. I have never heard the Government explain, nor any of their supporters explain, how they can justify giving the Company \$26,500,000 more than their engineer has estimated that that 1,985 miles were going to cost. I do not know how they are going to satisfy the people. They go back and tell us that the Act of 1874 would have given more under the Allan contract. We have nothing to with what is passed. No one ever undertook to build the road under that Act. But how did the hon. gentlemen opposite reconcile with their duty the fact of giving so much more for the construction of this road than the estimated cost of it? Of course they will hand this all over in ten years to the Syndicate to be theirs in fee simple forever. But the most remarkable thing in this whole contract is the 5th clause. That is more unaccountable than any other feature of it. It refers to the 100 mile section west of Winnipeg. This 100 mile section west of Selkirk was commenced as a Government work, and the contract was for \$6,000 a mile, exclusive of rails, making the cost \$600,000; the rails would cost \$300,000; so that if the Government had gone on and constructed that 100 miles as a Government work, its total cost would have been \$900,000. Why did they not go on and construct that, as they did the British Columbia and Thunder Bay sections, and hand it over to the Syndicate? Why did they adopt another plan with regard to this particular 100 miles? That section, I believe, is now completed for some 60 or 70 miles, and the whole could be completed very early next season. The Government not only propose to complete it at a cost of \$600,000, but to give the Company a subsidy of \$10,000 a mile for this very section, which is equal to \$1,000,000, as well as 1,250,000 acres which are there worth at least \$5 an acre, or \$6,250,000; in other words, they give the Company \$7,250,000 and they take back \$900,000 for what they expended on the road, leaving a clear balance in favor of the Syndicate of

\$6,250,000 the m tract, expla the D very nettle consid by th vince the P West spend ple fo peopl Doni done. will l —the selves retur in or been creas \$147 We it is impo milli one c " away West so a sence They selec piec Eng the 24,5 well less " cinc acro eno to r 4,7 Syn of tai the of

road which their
ould cost \$48,-
000 from \$75,-
26,500,000 that
Syndicate more
neer estimated
I have never
explain, nor
explain, how
the Company
their engineer
85 miles were
know how they
ople. They go
Act of 1874
der the Allan
ng to with what
undertook to
Act. But how
posite reconcile
giving so much
of this road
it? Of course
in ten years
s in fee simple
arkable thing
the 5th clause.
ble than any
rs to the 100
eg. This 100
irk was com-
ork, and the
mile, exclusive
600,000; the
so that if the
d constructed
nment work,
en \$900,000.
nd construct
ish Columbia
and hand it
Why did they
gard to this
at section, I
some 60 or
uld be com-
reason. The
e to complete
to give the
00 a mile for
is equal to
50,000 acres
least \$5 an
ther words,
\$7,250,000
00 for what
l, leaving a
Syndicate of

\$6,250,000. This is, to my mind, one of the most remarkable features of this contract, and one which I have never heard explained by the Government. I think the Dominion of Canada has contributed very liberally towards the interests of the settlers in the North-West. When we consider the trials and hardships endured by the pioneer settlers of the older Provinces, we must, I think, conclude that the Dominion has done all for the North-West they are entitled to do. We are spending all we can grind out of the people for this North-West, and I hope the people of the North-West will repay the Dominion to some extent for what it has done. But if this contract is passed, they will be crippled, burdened and oppressed—they will be unable to support themselves, to say nothing of making any return for the millions we have expended in order to help them. Our debt has been increasing enormously. It has increased from \$77,500,000 in 1871 to \$147,000,000 in 1879, nearly double. We are dealing in such large figures that it is almost impossible to realize their full import. With regard to this idea of millions, I will read a short article from one of our papers published in St. John:

"The Conservative press treat the giving away of 25,000,000 acres of land in the North-West as a very small matter; they have grown so accustomed to talk in millions that their sense of proportion has become quite lost. They do not realize what 25,000,000 acres of selected land really means. That is a larger piece of territory than the cultivated area of England. After two thousand years of tillage the whole cultivated area of England is but 24,596,266 acres, including lands in pasture as well as under crop, or more than 400,000 acres less than the Syndicate are to receive.

"The whole cultivated area of Ireland, including permanent pasture is but 15,337,856 acres, or nearly 10,000,000 acres less than the enormous land grant which the Syndicate are to receive for building the Pacific railway.

"The whole cultivated area of Scotland is 4,738,127 acres, or less than one-fifth of the Syndicate's land grant. In fact, the whole area of Scotland, including islands, rocks, mountains and moors, is 5,500,000 acres less than the Syndicate's land grant.

"According to the last census the total area of improved land in Canada was as follows:—

	Acres.
Ontario	8,833,626
Quebec	5,703,944
New Brunswick	1,171,167
Nova Scotia	1,627,091
P. E. I.	445,103

17,780,921

"The Syndicate's land grant will therefore be upwards of 7,000,000 acres larger than the whole cultivated area of the Dominion in 1871, and even, after making a large allowance for increase since the last census, much larger than its present cultivated area; and yet Sir Charles thinks that any one who objects to him giving away to railway monopolists a territory fifteen times as large as all the cultivated land in his native Province, is only indulging in 'past-board indignation.'

"To carry the comparison a little further: in 1870, the last census of which we have complete returns the acreage of improved land in the six New England States was as follows:—

	Acres.
Maine	2,917,793
New Hampshire	2,334,487
Vermont,	3,073,257
Massachusetts	1,736,221
Connecticut	1,646,752
Rhode Island	289,030

11,997,540

"It will be seen from the above statement that the improved area of the six New England States combined is considerably less than one-half the size of the Syndicate's enormous land grant. As a matter of fact there is not a State in the Union with as large an area of improved land as the Syndicate's land grant. The improved acreage of the six largest States in the Union was as follows at the last census:—

	Acres.
Illinois	19,319,952
New York	15,627,206
Ohio	14,469,133
Pennsylvania	11,515,965
Indiana	10,104,279
Iowa	9,396,407

"It follows then from the above that the Syndicate's land grant is more than twice as large as the improved acreage of either Pennsylvania, Indiana, or Iowa, nearly 10,000,000 acres larger than the improved area of the great State of New York, and upwards of 5,000,000 acres in excess of the area of the first agricultural state in the Union, Illinois. These are figures worth pondering over by all true Canadians, notwithstanding Sir Charles' sneers and Sir John's eager haste to hand over to private parties and place beyond the reach of taxation a tract of fertile territory larger than the cultivated area of his native country and his adopted country combined."

The Government purpose to take over \$100,000,000 for the benefit of no class of the people, but solely for the benefit of the Syndicate. We are expending these vast sums for a people who do not now exist. If emigration does not come in any more rapidly than at present we are making an expenditure far in advance of our resources. Now I would just say, that the Opposition are not responsible for this new offer. It is not made to the

Opposition, but made to the Government, although hon. gentlemen opposite take it for granted that if we were to go to the country the new documents would be placed before a Reform Government after the elections. Why, suppose that if we went to the country that a Liberal Government must of necessity come in. If you have the people with you what need you fear. You admit by that argument if you go to the country you are sure of defeat. If it is a choice between those two offers there is no comparison between them. I believe the gentlemen of the second Syndicate are unworthy of the political motive attributed to them. I have it from the lips of an important member of that Syndicate, from my own Province, that he knew nothing about the matter until he took up the paper. He telegraphed at once to Sir Wm. Howland to count him in. He could, he said, build the prairie section for less than \$8,000 a mile. He believed a road could be built on the prairie for \$8,000 a mile. He was aware a road was nearly completed from St. John to St. Stephen in New Brunswick, through a difficult country, which would not cost more than \$10,000 a mile. That gentlemen told me also he would have no hesitation in making a road very much cheaper than that proposed by the last offer. Had he been present he would have undertaken to build the road for \$20,000,000 and 20,000,000 acres of land. This contract was made entirely without the authority of the law. The only Act under which this work could be done was that of 1874; but it gave no authority to the Government to bind this country to complete 706 miles of road in ten years, which would cost the country nearly \$53,000,000, and hand it over to the Syndicate. The Act of 1874 only authorized the Government to give a company \$10,000 a mile, or \$27,000,000, without making any exemptions from duty or taxation, or giving of the concessions which make this contract so ruinous to the country. That Act did not prevent other companies from building railways wherever and whenever they please. The result at present is a foregone conclusion. The hon. gentlemen opposite have one after another fallen into line. They have made up their minds to sacrifice this country and to stifle their convictions. I cannot understand, how in this free coun-

try with its religious and educational advantages, and freedom of thought and action, hon. gentlemen could, in this age of the world, make up their minds to adopt this contract. I can understand how the heathen in his blindness bows down to wood and stone, and how the swarthy Hindoos, in order to appease their imaginary gods and satisfy a guilty conscience can cast their infants to the cruel jaws of the monsters of the deep. I can understand how the heathen can prostrate themselves before the car of Juggernaut; but I cannot understand how men in Canada, this free land, can sacrifice not only their convictions, not only their judgments, but can sacrifice the millions of the people in this Dominion, and the interest of the country, to support a government that has illegally brought before the country a contract ruinous to the best interest of the people, and which will in the end ruin the men who adopt it.

SIR A. J. SMITH.

January 12th, 1881.

SIR ALBERT J. SMITH said: Notwithstanding the extent to which this discussion has been protracted, I feel it to be my duty to make a few observations upon the subject before the House. It is undoubtedly a subject of the very greatest importance, a subject whose importance has not been over-rated. It is a subject which involves the expenditure of \$100,000,000, or one which, had we the population of England, would involve the consideration of \$1,000,000,000. But it is not only a question of money; it is a question of concessions made which have no precedent in this country. It is a question involving the remission of taxes on property, not less than \$50,000.00 or \$100,000.00; it is a question involving a gigantic monopoly, a monopoly securing to this Company the whole carrying trade of the North-West for at least twenty years. If these are the considerations involved in this question, then I say it is quite impossible for us to overrate its importance. It has been said that this

question is too transcendent in its consequences to be determined as a mere matter of party, but from the course which this discussion is now taking it is evident that it will be determined by mere party and political considerations. I firmly believe that if it were possible for hon. gentlemen opposite to emancipate themselves from their party ties and their party allegiance, not less than 100 men on the other side of the House, if they acted upon their conscientious and patriotic convictions, would cross the floor and vote against this measure. And though I fear it would seem impossible for them to do so, I ask them if it would not be a splendid spectacle to see these hon. gentlemen acting on their convictions and voting for the true interests of the country. The hon. Minister of Railways has spoken of the legacy which he intends to leave to his children, but I think if these hon. gentlemen should choose to act in the patriotic manner I suggest they would immortalize themselves and leave to their children an infinitely better legacy than that which seems to satisfy the hopes of the Minister of Railways. It is necessary for us in considering this question to carry our mind back for some time. Recollect the pressure that was brought to bear on the party in 1871 in connection with this question. We were told that if we did not adopt the measure which was then before the House, British Columbia would go out of the Union. We were told that time was important and that the matter must be pressed on to early decision. At that time the Government imposed an obligation on this country of which the present contract is the sequel. The followers of the Government yielded to the pressure which was brought to bear upon them and sustained a measure to provide for the construction of the railway over 2,700 miles of our unknown country to British Columbia in ten years, notwithstanding the protests which were made from this side of the House against an obligation whose fulfilment has been an embarrassment to this country ever since. A change of Government took place, and the member for Lambton has explained the circumstances, which surrounded him and he assumed the administration of affairs. He felt embarrassed by the obligation which the previous

Government had imposed upon him, but at the same time he felt it was his duty so far as in him lay to maintain the public faith of the country and carry out the obligation which his predecessors had assumed. He introduced the Act of 1874, and that Act seems to be the foundation upon which hon. gentlemen opposite attempt to sustain the following measure. I would like to ask what the Act of 1874 has to do with this measure. At that time British Columbia, and the North-West were almost *terra incognita*—there was no civil government established in the North-West, no law or order was maintained there; it was a country utterly alone and inaccessible. There was at that time no railway within 200 or 300 hundred miles of the boundary to connect with the United States system. Indeed, the hon. the Minister of Railways himself acknowledges that the circumstances have changed. There was no communication with the country, and it is easier to build three miles of railway there now than one at that time. Therefore, I say there is no justification whatever in the reference to the Act of 1874. Some hon. members seem to satisfy themselves that if they can show that the offer made in the Act of 1874 was not more burdensome to the country than the present scheme, that, therefore, they are justified in supporting it. Will that doctrine satisfy the people of the country? Will it justify hon. members with their constituents to say that the Act of 1874, passed before the country was known, seven years ago, is an excuse and justification for making this contract and giving this Syndicate the amount proposed by this scheme? It has been said, too, by members opposite that it has been admitted by all parties that the principle was that the Canadian Pacific Railway should be constructed by a private company, and not by the Government. It is quite true, at the initiation of this measure, in 1871, a resolution of that kind was passed and approved, generally by both parties. But while the member for Lambton presided over the Government of this country and was anxious to do what was possible, consistently with that overshadowing condition that the taxation should not be increased, this measure of 1874 was passed, and, as he explained, to-night, the Act did not make

an offer to any particular set of men, but provided for the construction of the road as fast as the finances of the country would justify, and nothing further. It did not require that the whole should be built at once, or put under contract immediately, but authorized its construction by sections. Under the late Government, a portion had been constructed or let as a government work, and the Pembina Branch finished. A large portion of the line from Thunder Bay to Selkirk was under contract when the Government changed. What was the policy of the incoming Government? It was to construct this as a Government work. Now, I will show, from the speeches of the First Minister himself, and Minister of Public Works, that they have deliberately abandoned their settled policy, which was to construct that road as a Government work, and in no other way. What did they do in 1879? The Minister of Railways submitted his resolutions, and told the House in a very elaborate and able speech, that he had reason to believe that the British Government were prepared to render substantial aid and assistance in the construction of the railway. I ask hon. members to refer to his series of resolutions, and see whether the Government of the time did not announce, through the Minister of Railways, their policy that this road should be constructed as a Government work. They then took authority to utilize 100,000,000 acres, and told us they believed the British Government would assist them, and also to provide for the establishment of a tribunal consisting of several trustees of this line, a portion of whom were to be appointed by the British Government; and provided that those lands were to be sold at a certain price, the proceeds to be applied in the construction of this great public work. Further, they took power to construct 125 miles of railroad from Kamloops to Yale, and, further, to let contracts on the prairies to an extent not exceeding \$1,000,000, without the necessity of submitting them to Parliament. That was their declared policy in 1879. They went to, and returned from England without accomplishing anything whatever, though the Ministers of Railways tells us that he had communication with the great leading men of that country which produced a great deal of good, but we failed

to discover it yet. Their mission utterly failed. What was the course taken during the Session? In 1880 what do we find—any change of politics. No, it is marvellous—hon. members on the Government side must be blinded by partisan feeling or they would see that the scheme then submitted and which received their vociferous applause was that the railway from ocean to ocean should be built as a public work. Will hon. members deny that, or that the First Minister himself, with the responsibility of his position, went into an elaborate calculation to show that this whole road could be built as a public work without costing the people a dollar? His speech proves my statement. In submitting the resolutions with regard to the Canada Pacific Railway, he said:

“What the policy of the late Government would have been we do not know. * * * * but when we came into office we decided to undertake it as a public work.”

Can any hon. member deny or gainsay that? What does the Minister of Railways himself say on that point?

“I had no hesitation in saying that the whole sentiment of the country is changed on this question. I am not at all ashamed to say my own opinions are changed in relation to the character of this great work. I remember when the First Minister brought in his Act in 1874, for the construction of this as a Government work, I felt we were incurring too great a responsibility. I believe it was unsafe for the Government to undertake the construction of this great work from end to end; but I do not hesitate to express my opinion that the whole condition of Canada has changed since that time.”

Now, let us deal reasonably with the facts and not be blinded with mere political considerations. Have we not shown out of the mouths of both hon. Ministers that the Government policy was to construct this railway as a Government work? Was there a single hon. member last Session, after those declarations of policy, who had the slightest idea that the Government intended to deal with the Syndicate, a party of speculators, during the recess, for the purpose of constructing this railway? I venture to affirm that not a man in the country anticipated it. We had no intimation that a Government declaration would go to England for this purpose, but supposed the Government were going to act on their declared policy, which their followers so heartily sustained.

Now, Sir, I desire to call your attention to the speech of the hon. First Minister delivered last Session, because his utterances have a special significance of their own; and I would ask hon. gentlemen on both sides to see how utterly erroneous were the calculations he then made. He seemed to think that 50,000 people would go into the North-West during the past year. He said:

"I can inform the hon. gentleman from the returns of the hon. the Minister of the Department of Agriculture, that 12,000 are known to have gone in, and, from the best information we have got, as many more went in that could not be counted, who were not under the supervision of that Department; let us say that 8,000 more went in, and that only makes the 20,000. If we are to judge from the reports we have heard, we may rely upon it that 50,000 people will go into that section of the country this year. We know that in the United States, when railways were about to be opened across the prairies in the various States and territories, a large influx could always be calculated upon, because there is always an increasing rush towards those lands which are being opened up by the construction of railways. We are told that 50,000 will come in, but let us put the number of 25,000, and I have been informed by everyone—and I have spoken to a great number of persons who have come from the North-West, and who have the best means of judging—that that estimate is ridiculously absurdly small.

Mr. MACKENZIE: I suppose it was the same person who informed Lord Beaconsfield who thought it was absurd.

Sir JOHN A. MACDONALD: Very likely. I would ask the hon. member for Lambton, if he does not really believe that number will go in.

Mr. MACKENZIE: As the hon. gentlemen has asked me a question, I will tell him that I do not believe so, nor do I believe that 20,000 went in last year. I think a large number will go, but not the number he stated.

Sir JOHN A. MACDONALD: Then the hon. gentleman is the first person that I have heard say that 25,000 was not altogether too small an estimate of the certain rush of emigration going to that country this year. That number, of course, includes the baby as well as the adult; it includes the whole population moving into the country. In ordinary cases the estimate is: the average family numbers five—the head of the family and four others. In the Western States the average is not so large, for obvious reasons; because so many young men go in without family to settle there.

* * * We then take the average price of the whole of the lands extending from the 25 section, within five miles of the railway, to sixty or 100 miles away. The average price of the lands sold to the 1,500 purchasers would be \$3 an acre—this is greatly under the average. What, then, would be the result?

Mr. BLAKE: Over the whole belt—220 miles?

Sir JOHN A. MACDONALD: Yes. Take \$1, \$2.50, \$4 and \$5 per acre, and the average, \$3; admit we sell at those terms lands, in 1880, to the value of \$1,440,000, of which we shall receive one-tenth the price, or \$144,000, we should receive from the fees from the homestead and pre-emption grants \$80,000 more, making in all \$204,000 in cash. Then we calculate that, as 25,000 would go in this year, we may add each year an increase of 5,000, so that we may expect 30,000 to go in next year. That is a very small per centage, if we look to the results from railway enterprise in the United States. We assume, therefore, an increase of 5,000 a year till 1890, and expect in that year 75,000 settlers in our North-West.

Mr. BLAKE: Can you not make it another 10,000?

Sir JOHN A. MACDONALD: I think that is a very moderate estimate. On those figures, the estimate of the total cash revenue to be received for the lands, by 1890, is \$38,593,000.

Mr. BLAKE: That is up to 1890.

Sir JOHN A. MACDONALD: Yes, and including 1890.

Mr. BLAKE: That amount with interest?

Sir JOHN A. MACDONALD: We expect \$38,593,000, including simple interest for the lands sold in that period.

Mr. BLAKE: What proportion is principal and what interest?

Sir JOHN A. MACDONALD: I cannot say. That will be the total sum received in cash to the end of 1890. But, besides, there will be all the instalments to come in after 1890, accruing yearly, so that the lands sold in 1890 will be one-tenth paid for nine years afterwards—for each year there will be an instalment of one-tenth paid. The actual value in 1890, of the pre-emption, up to that date, unpaid will be \$16,440,000. The actual value of the railway lands sold up to that date will be \$16,272,000, making in all, \$32,712,000. If you add to that total, unpaid, the \$38,593,000 that will be paid in 1890, you get a grand total of \$71,305,000. Deduct from that the estimated cost of surveys for the ten years, \$2,000,000, and of the land officers, \$400,000, and you reduce it by \$2,400,000. Having shown that the estimate of the number of settlers, if the land be taken up, and if the average price is not excessive, we find we shall have \$68,905,000 either of money in hand, or money for which we shall have the best security in the world—the land itself. The whole estimated cost of the railway, including surveys, and construction through the difficult as well as the prairie country, does not exceed, by the most excessive computation, \$75,000,000—for the work from Lake Superior to the Pacific Ocean. I believe hon. gentlemen opposite will be surprised, yet, to find it built for less than \$75,000,000. It will not cost more in the most rigid calculation. Some gentlemen and newspapers have said that the Engineer-in-Chief is one of the most extravagant engineers possible. We can, therefore, place some reliance on his calculation. If we finish the road for \$75,000,000, and in the first ten years only sell half the lands we estimate, where will be the burden on the people? That would not make a very serious invasion into the very large tracts of

land we should have still to sell. As the road progresses, the annual sales of land will more than be sufficient to meet all the possible cost of the railway. In addition to all that, we must remember we shall be pouring into that country an enormous population, which, on a prairie soil, will rapidly become—not with the painful toil of the people of Ontario and Quebec, who have had to clear the forest—consumers of dutiable goods and contributors to the revenue. We shall be receiving a large revenue from that country altogether independent of the products of the lands. Where, then, is there any danger of this country being over-ridden by taxation or being oppressed? There is none. I believe, under this scheme, we shall settle the country rapidly; that the proceeds of the sales of lands will meet our engagements as the work progresses, including the claims for interest. I believe that the interest upon upon the railway expenditure can easily be defrayed without adding further to the taxation of the country."

This seems to be a very clear and lucid statement from the First Minister. He assures his friends on the other side and tells the country, through Parliament, that he will in ten years sell land enough to realize all the money required for the construction of the Canadian Pacific Railway, not only prospective expenditure, but the expenditure that had already taken place, amounting to from \$15,000,000 to \$20,000,000. Now, then, did the hon. member approve of the scheme? Did hon. members on the other side declare their acquiescence and signify their willingness that this mode of construction should be adopted? They did. How does it lay in their mouth to take other ground and say that this railway should be built through the agency of a company? The Government declared their policy and the hon. members on the other side sanctioned and approved of that policy without a dissenting voice, and cheered vociferously when this policy was announced from time to time. Now, I think I have established sufficiently that the definite policy of the late Government was that this railway should be built by the Government. I have shown that they themselves provided the means by which the railway was to be built, and that the money was to be realized out of the land in 10 years to construct this whole railway, and that its construction should put no financial burden upon the people. It must be evident to every one that such was the policy of the Government at the close of last Session. What took these hon. members to England?

The country knew nothing about it; they had not been authorized by this House to go; they went to England without the knowledge or authority of Parliament, and I would like to see the Order in Council authorizing that delegation to England. What was the result there? We were told that they were enlisting the greatest bankers of the age, that they were successful in their mission—from time to time it was declared in their newspapers that they were succeeding. Did they succeed? What does the result show? They did not succeed. They returned to this country, and what do we find? We find the First Minister, on his return, makes his speech, and I think it may be said it was an unfortunate speech, and one which will cost this country millions of dollars. What did he tell those gentlemen who waited upon him, the members of the Club Cartier who presented him with an address and who seemed to be under the delusion that he had been successful in his mission? He told those gentlemen that he had made a contract in England—a contract firm as he called it—which would relieve the people of this country of the entire cost of the railway. Will any hon. gentleman say he did not say that? Had the right hon. gentleman any warrant for saying that a contract was made in England? It was made in this country, and if it were made in England, why, when information was asked for by this House, was it kept back? Is it not due to the people of this country, when we find a contract made, involving upwards of \$100,000,000 of the people's money that they should know something about it? This contract was made in direct contravention of the law of the land. If there is one principle more than another sacred to the people of this country, it is that contracts for public works should be given to public competition. Do hon. members on that side justify a practice opposite to that principle? This contract was made behind the backs of the people of this country, and it is the privilege of this House to know who it was that those gentlemen corresponded with, who it was they invited tenders from. Are Messrs. McIntyre and Stephen the only favored people of this country, and none others? Why, there are plenty of men throughout this

country of equal worth and standing, who would have been glad to tender for a great work like this. I say that hon. gentlemen have trampled under foot the sacred rights of the people and the law of the land. They went to England without authority, and they made this contract without authority. It is not of the last importance that we should know who were those gentlemen that the Minister of Railways corresponded with in reference to this contract?

SIR CHARLES TUPPER: The hon. gentlemen has asked me a question; I will answer him by reading from the *Toronto Globe*, in its article giving the events of the year:

"The event of the Session was the division on the question of letting the contracts for the Yale-Kamloops section of the Pacific Railway in British Columbia. The Minister of Railways had let these contracts on the eve of the meeting of Parliament, but in view of the unsatisfactory financial condition of the country, Mr. Blake moved to have them postponed. The debate which followed was the beginning of an agitation, which culminated at the very close of the year, and the full history of which will have to be written at some future time. The Ministry obtained from Parliament authority to negotiate for the formation of a Company to build the Pacific Railway, and three of their number, including the Premier and Minister of Railways, went on a mission to England to effect that object."

SIR ALBERT J. SMITH: Is that true? I ask him if there is a word of truth in it?

SIR CHARLES TUPPER: Then, I tell the hon. gentleman that while the Government stated there was no possibility, owing to circumstances to which they drew the attention of the House, of proceeding with the work except in the mode in which it had been begun, they obtained from Parliament authority to apply 100,000,000 acres as the means by which they could proceed with the construction of the Canadian Pacific Railway. The statement made in the *Toronto Globe* is strictly true that both in 1879 and 1880 we had the fullest authority of this Parliament as found on the Statute-book.

SIR ALBERT J. SMITH: Point me to the Statute, if you please.

SIR CHARLES TUPPER: The Act of 1874. The decisions of Parliament in 1871, in 1872, in 1874, in 1878, and in

1870—all of them gave a direct authority to the government to carry on the construction of the railway in that way.

SIR ALBERT J. SMITH: Does the hon. gentleman know that the Act of 1872 was repealed?

SIR CHARLES TUPPER: Was the Act of 1874 repealed? Has it been repealed yet?

SIR ALBERT J. SMITH: He says that his authority was the Act of 1872. I say that Act is repealed. Does he mean that he acted on the authority of the Act of 1874? I am dealing with the subject as it was presented to the House during the last Session. I am not going back to the time when this Parliament appropriated 100,000,000 acres for the purpose of constructing the railway, and I say that scheme was projected on the principle that this railway was to be built as a Government work. More than that these resolutions themselves provide that the Government shall select the land. I ask whether I am not in the judgment of the House, whether I have not proved in these statements I have made concerning the policy of the Government, that the House and the country are entitled to all the information that can be given with reference to these contracts. If you ask this House to sanction the appropriation of \$100,000,000 of its property, is it not reasonable that the people should be given all information in connection with the subject, more particularly as there was no authority to let this contract because we know that tenders for contracts for any public work in the country must be called for, and the House is entitled to be put in possession of every tender and paper in connection with the transaction. Why this concealment? Why should we ask in vain for information, when we are asked to pass upon a great transaction like this, involving one hundred millions of dollars of public property it is but reasonable we should have some information. The hon. First Minister returned to this country and told these young gentlemen of the Club Cartier that his mission had been entirely successful. That he had made a contract, and that his highest aspiration when he left this life—the advantages in the life to come are not commensurate with his aspirations

here—he hoped that he should have the privilege of looking down upon these gentlemen of the Club Cartier journeying to British Columbia in a railway. Now if there is any punishment in the life to come for the political sins of this life, I am afraid that my hon. friend will not have the opportunity of looking down, but will be obliged to look up if he wishes to see these gentlemen of the Club Cartier going to British Columbia. I think we can say without hesitation or fear of contradiction, that the mission of the Government in England was abortive. They made no contract there; they consulted, apparently, Mr. Rose as one of the parties who joined the Syndicate, or rather his son, and then returned home without making a contract. I propose to deal with this contract now on its merits, and I may say that though the hon. gentlemen opposite made able speeches it is remarkable how little they treated the merits of the case at all. They abused my hon. friend the leader of the Opposition, and then they showed a wonderful sympathy for the ex-leader of the Opposition—a sympathy for which I do not think he will thank them. It seems to me to be in very bad taste for the hon. gentleman to have anything to say on the domestic relations of the party on this side. I think the hon. member for Kings will agree with me that the people in our Province think we ought to have a dissolution. They seem to think that this matter is so gigantic, involves so many startling principles, that it should be referred to the people, particularly as the people have not given any authority to the Government to make that contract. In demonstrating the value of the lands, I see no reason or excuse for hon. members opposite for appealing to speeches made seven years ago by hon. members on this side as to their value. I am going to quote the speech of the right hon. Premier of last year. I have great confidence in his judgment. I will quote his opinions as to the value of the lands, and I presume he stands now by that opinion. The hon. Minister of Railways has changed his mind several times in this matter and is proud to acknowledge the change, but I do not think the First Minister will deny now that he stated these lands were worth \$3 an acre. The hon. Minister for Railways in 1875, told us that if he had the

right to select the choice lands of the country those lands were worth \$5 an acre; but we must make some allowance for the accustomed exaggerations of the hon. Minister of Railways, and I prefer to adopt the value put upon the lands by the First Minister. He told us last year they were worth \$3 an acre. If they were worth \$3 an acre, I want to show what has been done by this Government, with this Syndicate. Is it necessary for me to read the estimate given by the Minister of Railways as to the cost of this work. He stated as follows:—

Sir CHARLES TUPPER: Before six o'clock I was about taking up the question of the expenditure that will be required to complete the Canadian Pacific Railway. I will now submit a calculation I believe to be an outside one, or above the probable outlay. This estimate has been prepared by a gentleman who has had the widest and best opportunity of forming a deliberate and dispassionate judgment on the subject—a gentleman whose ability, in my opinion, is only exceeded by his caution—Mr. Sandford Fleming, Engineer in Chief of the Canada Pacific Railway. However much this estimate of expenditure may be reduced, I am sure it cannot be exceeded. The distance from Lake Superior to Burrard Inlet is 1,956 miles; that is, adding twenty miles for the diversion of the line to the south of Lake Manitoba, and deducting three and three-quarter miles for the reduction in the distance between Lake Superior and Red River, and the shortening by the change of route passing north of Edmonton instead of south as before. That total includes the Fort William and Selkirk section of 406 miles as now reduced; and for that I submit an estimate for completion in the manner intended as a first-class road, and with a thorough equipment for the large traffic expected, and including terminal stations, \$17,000,000, or \$1,000,000 less for the reasons stated than my estimate of last year. The 1,000 from Selkirk to Jasper Valley, the dividing point just beyond the foot of the Rocky Mountains, including a light equipment—all that will be required for some years. Mr. Fleming estimates at \$13,000,000, that is \$3,000,000 more than the average estimate for the 200 miles west of Red River, in order to be entirely safe. We have 100 miles actually under contract, and have received tenders for the other 100 miles, and I do not expect the average cost to exceed that of the 100 miles just let.

Mr. BLAKE: What is the amount estimated for the equipment per mile?

Sir CHARLES TUPPER: A light equipment is all we shall require for some years.

Mr. BLAKE: Will it be \$1,000 or \$2,000 per mile?

Sir CHARLES TUPPER: When the traffic demands a heavier equipment there will be means for providing it.

Mr. BLAKE: I only want to know your estimate in dollars.

Sir CHARLES TUPPER: It is \$13,000 per mile, as against an estimate we should be justified in giving of \$10,000 a mile, making \$3,000,000 more than the average of the amount probably needed to complete and supply with a fair equipment the 200 miles we have under contract on the prairies. From Jasper Valley to Port Moody the distance is 550 miles. From Jasper to Kamloops, in British Columbia, to which the portion now under contract extends is 335 miles, which can be constructed, I believe, for \$40,000 a mile. But Mr. Fleming, more cautious, has given an outside estimate of \$43,660 a mile. This is much heavier than the prairie district, but is light compared to the section we have let in the canyons of the Fraser. That will give \$15,500,000 for the section from Jasper House to Kamloops. From Kamloops to Yale is 125 miles, which Mr. Fleming estimates at \$80,000 a mile, or \$10,000,000 to complete the road, with a fair equipment for any traffic likely to be required. In my opinion we may set down, instead of \$10,000,000, \$9,000,000 for that work. From Yale to Port Moody, 90 miles, he estimates at about \$38,888 a mile, or \$3,500,000. Those 550 miles foot up to \$29,000,000, to which, with his usual caution, Mr. Fleming adds \$1,000,000; this makes, with the \$17,000,000 for the road from Fort William to Red River, and \$13,000,000 from Red River to Jasper Valley, \$30,000,000 from that point to Burrard Inlet, a total of \$60,000,000.

This is the deliberate estimate of the Minister of Public Works, and of course these statements were in his mind when he made the present compact. The estimated cost of the road around the north shore of Lake Superior, which, with the \$60,000,000 would make \$80,000,000. At that time about \$15,000,000 were expended. And what do this Government propose to give the Syndicate for building a railway which they estimated would cost \$80,000,000. I will take the lands at \$3 per acre, a low estimate, for the First Minister valued them at \$5, and I will endeavor to show. We are told that 1,000 miles can be built for \$13,000,000, so we will take that amount out. The Syndicate receives in cash \$25,000,000; they receive for railway built and to be built, \$28,000,000; land, at \$3 per acre, \$75,000,000, or a total of \$128,000,000. The surveys which is proper to charge, because the Act of Mr. Mackenzie provided that they should be charged, bring this total up to \$131,000,000, an amount representing an actual donation to this company of good value beyond peradventure.

Sir LEONARD TILLEY: Hear, hear.

Sir ALBERT SMITH: To what particular remark does the hon. gentleman intend to apply his hear, hear. If he thinks I over-value the lands he must blame the hon. gentleman beside him (Sir Charles Tupper), because he valued them even higher.

Mr. BLAKE: And he himself valued them at the same figure.

Sir ALBERT SMITH: I believe he did.

Mr. ROCHESTER: Will the hon. gentlemen tell us his leader's opinion on the subject.

Sir ALBERT SMITH: The hon. gentlemen can himself do that. If he were to look at this question upon its merits rather than through party eyes he would no more of the subject. But I will deduct the \$13,000,000 which these hon. gentlemen say was the cost of the first thousand miles, and we will have left \$118,000,000 for the thousand miles which the Syndicate have to construct. And this has to be paid for a railway around Lake Superior and one from Jasper House to Kamloops. And how much do they say it would cost to build those two branches? From Fort William to Nipissing, \$20,000,000, and from Jasper House to Kamloops, \$15,500,000; so that they are agreeing to pay \$118,000,000 for what they themselves said would cost \$35,500,000. These calculations will justify their correctness to any hon. gentlemen who chooses to look at this matter as a commercial transaction, and that is how it should be regarded. I am quite certain that if these hon. gentlemen could emancipate themselves from party ties and look at this matter as one of business, they would not question my figures. And how much will this Syndicate make out of the central section? Now, taking the central section, I will show how unfairly the Government have dealt with the country in respect of it, and how much the Syndicate will make, provided they confine their attention entirely to its construction, which it is perfectly competent for them to do. The Government had no security for the construction of that section—no lien on that work; it becomes absolutely the property of the Syndicate; all that the Government have power to do is simply to retain 5,000,000 acres, or one-fifth on

the land grant, the 12,500 acres a mile. They have assigned to what they call the Central Section: 900 miles, \$10,000 a mile, and 12,500 acres a mile. What will this yield? What is the cost of the work which they give us themselves? 9,000,000 cash; deduct one-fifth of the land, and you have 10,000 acres a mile, or 9,000,000 acres altogether, which, at \$3.00 an acre, gives \$27,000,000, or a total of \$36,000,000 in cash. Deducting one-fifth, according to the contract, and taking the estimate of the Minister of Railways, the 900 miles will cost \$11,700,000, leaving a clear profit of \$12,300,000 to the Syndicate. Will the Minister of Railways contradict that calculation, or any other hon. member; if so, I shall be very glad to be corrected. I take \$3.00 an acre because it is the estimate of that hon. Minister himself. I now propose to criticise to some extent the contract itself, which is a most extraordinary one. We are told that it is important in the interest of the country that every railroad should be built and worked by a company. Why do they not do it? The Government are going on for 10 years to construct sections, and some of the most difficult, and are becoming what was never known before in any country, a railway contractor with a private corporation for the construction of a railway. Is not that a prostitution of the functions of the Government? They have bound themselves not only to complete the sections under construction, but have entered into a new contract with this corporation to build a line from Yale to Port Moody, 90 miles, at \$3,500,000. Are they not then really contractors? I think the people of the country will be alarmed at finding the Government, who say they are wrong to build railways, becoming contractors with a private company. Is not this a new doctrine to incorporate in the administration of the affairs of the country? I never heard of the like before. The hon. member for Niagara seems to be such a disturbing element as to render it almost impossible for me to make myself heard on the other side. It is stipulated in this bargain that the Company should pay the Government the cost of the 100 miles of road extending from Winnipeg westward and the other expenses incurred by the Government; and that they shall have

the right to assume the said work at any time on paying cost of construction incurred by the Government. Thus the Syndicate have a right to the expenditure by the Government—without paying a dollar of interest they get the road for the bare cost, and also 1,250,000 acres of land, worth \$3 an acre, \$3,750,000—and all this for nothing. The next session of the contract provides the Government shall build a line from Yale to Port Moody, which is to become the property of the Company. This is an extraordinary obligation to assume for themselves and any Government that may come after them. The hon. member for Niagara certainly deserves to be characterised in names I would not like to use here, for his incessant interruptions. He is so thorough and blind a follower of his leader that if his leader told him the moon was made of green cheese he would echo the statement. I am coming to another point as regards what the contract provides for in respect to those portions of the road which are to be constructed by and handed over to the Government. With regard to those portions of the road already built, and handed over to the Company, there is no forfeiture, there is nothing more than a simple covenant, to secure their running by the Company in the interim, until the rest of the road is completed. The contract provides:

"The railway constructed under the terms hereof shall be the property of the Company; and pending the completion of the eastern and central sections, the Government shall transfer to the Company the possession and right to work and run the several portions of the Canadian Pacific Railway already constructed or as the same shall be completed. And upon the completion of the eastern and central sections, the Government shall convey to the Company, with a suitable number of station buildings and with water service (but without equipment) these portions of the Canadian Pacific Railway constructed or to be constructed by the Government which shall then be completed; and upon completion of the remainder of the portion of Railway to be constructed by the Government, that portion shall also be conveyed to the Company, and the Canadian Pacific Railway shall become and be thereafter the absolute property of the Company. And the Company shall thereafter and forever efficiently maintain, work and run the Canadian Pacific Railway."

Now, what I say is this—that upon the completion of the line from Thunder Bay to Selkirk, the Company have the right to the use and possession of that line, and

may run it if they choose. They say they will run it; but when we look for the security of the running of this road, we find that the \$1,000,000 security does not apply to it:

"The contractors immediately after the organization of the said Company shall deposit with the Government \$1,000,000 in cash or approved securities, as a security for the construction of the railway hereby contracted for."

I find, also, that the bonds for five million acres to be retained by the Government applies entirely to the running of the railway after it is completed:

"The Government shall retain and hold one-fifth of such bonds as security for the due performance of the present contract in respect of the maintenance and continuous working of the railway by the Company, as herein agreed, for ten years, after the completion thereof."

I would appeal to the Minister of Justice himself whether the position I take is not sound law and the true interpretation of this contract. When the hon. Minister of Railways was propounding his policy to the House, he anticipated an objection which is now raised. I read from the *Hanard* of last Session:

"I dare say I will be told by the hon. member for West Durham (Mr. Blake): Granted that your figures are correct, assuming that you can build this railway for even less money than you have estimated, you have only encountered the first difficulty; you have then to operate the line, and the cost of that will be so greatly beyond anything you can hope to obtain from it, that you will place an intolerable burthen upon the people of this country. I must address myself for a few moments to that question. I will first give the information I have just received from the Superintendent of the Pembina Branch:

"The 160 miles we have now opened in the North-West, shows that from the 1st day of March to the 12th day of April we have carried 5,236 passengers, and 1,248 loaded cars containing 12,460 tons of freight. The gross receipts during that short period were \$36,387, and working expenses \$15,000, leaving a net profit of \$21,387, and this during a more difficult and stormy period than has been known for many years."

"By July, 1882, we will have about 700 miles of this road in operation; we will have 85 miles from Selkirk to Emerson or St. Vincent. We will have 200 miles in operation west of the Red River, which with the branch of 16 miles to Winnipeg will give us some 700 miles in operation, without reference at all to the sections in British Columbia. I have every reason to believe that every mile of that road, from the day it is opened, will make an ample return for all the expenditure incurred in its operation. I think it is safe to say that in every succeeding year, as we extend

gradually this road towards the Rocky Mountains, it will furnish such an additional volume of traffic from Red River to Thunder Bay, which will become the great *entrepot* of that country, as will prevent it from burthening the people, and give us some fair return for the interest on the money used in its construction."

This is the character of the property we are handing over to this Syndicate. What more? Has it occurred to hon. gentlemen on the other side that this Pembina Branch, which has been in full operation for some time, must be handed over to this Company as soon as this contract is ratified? We have a return showing that during the past year about \$60,000 of net revenue has been derived from the running of that road over and above working expenses. Has it been considered that there is a property which is a productive and paying property, and that when the country becomes developed and settled with a thriving population, and the business increases, the revenue, instead of being \$60,000, is likely to be \$100,000? I do not believe the Minister of Railways himself will dispute that statement. And yet we have handed over this Pembina Branch without any consideration, to this Company, who can, in ten years, derive an actual cash profit from it of \$10,000,000. Now, that is a clear proposition and cannot be denied. There is no forfeiture whatever to the Company if they refuse to run portions of the road that will not pay expenses. They may stop running the road altogether if they choose, and there is no power inherent in the contract to compel them to run it—no power but a Court of Chancery, if that even is sufficient. Now, all I shall say upon the clause granting 25,000,000 acres of land is, that it is a very extraordinary thing. This provision was not in the Allan contract, it was not in the Mackenzie contract of 1874. Every clause in this contract betrays the work of an able and astute mind. I wonder if my hon. friend from Argenteuil (Mr. Abbott)—I do not blame him in a professional sense, he was working for his clients—but it seems to me I can see the mind of that hon. gentleman in every clause of this contract. Those hon. gentlemen of the Syndicate are able and astute men and they got the First Minister into their power. He knew he could not meet Parliament without submitting his schemes, after declaring at Hochelaga

that he had completed the contract firm, when, in point of fact, it was not completed. The gentlemen of the Syndicate took in the situation thoroughly; they knew that, to a certain extent, the First Minister was in their power. I was about to say in connection with the 25,000,000 acres that all the lakes and water stretches in that country are to be excluded from the acreage of these 25,000,000. That will not be disputed. I appeal to the hon. member for Hamilton (Mr. Robertson) to look at this contract and see if all the lakes and rivers do not fall to the Syndicate and are excluded from their acreage. How is that? Who started this? Who suggested this claim? It is not in the Allan contract; there is nothing of the kind in the Act of 1874, and why should it be put down here? It shows that the men representing the Syndicate were masters of the situation. Therefore, I say, it is unfair to the country when you allow these men to go in and select the choicest lands, and yet exclude from the acreage all the lakes and water stretches. Then we find that the Government is to give these people the road-bed in full. I will pass on now to another clause:

"The Company shall have the right, subject to the approval of the Governor-in-Council, to lay out and locate the line of railway hereby contracted for as they may see fit, preserving the following terminal points, namely: from Selkirk to the junction of the western section by way of the Yellow Head Pass."

When we come to look at the Acts of 1872 and 1874 we have no such provisions. The Company are authorized to deviate to the extent of five miles from the line of location. It is said to be subject to the approval of the Government, but the result will be that the Company may build a railroad wherever they choose without regard to the terminal points:

"The Company shall have the right, from time to time, to lay out, construct, equip, maintain and work branch lines of railway from any point or points along their mainland of railway, to any point or points within the territory of the Dominion. Provided always, that before commencing any branch they shall first deposit a map and plan of such branch in the Department of Railways. And the Government shall grant to the Company the lands required for the road-bed of such branches, and for the stations, station grounds, buildings, workshops, yards, and other appurtenances requisite for the efficient construction and working of such branches in so far as such lands are vested in the Government."

Now, Mr. Chairman, have you with all your knowledge of the subject fully comprehended the scope of this clause? Do hon. members on the other side know that this clause authorizes this Company forever to build branch railways in that country without any limitation of time. I dwell strongly on this point because I consider it is a very serious matter. I would prefer to see this contract defeated and the Government remain in power than to see the Government defeated and the contract adopted. It is not much of an object for gentlemen on this side to occupy the benches on the other side of the House. But, Sir, this clause undeniably bears that construction that for one hundred years hence this Company have the right to construct branch railways throughout that entire country—larger than the Province from which I come by one-third—they have the right to construct railways there forever without limitation. I sincerely submit to the House that this part of the contract should be altered and modified. This seems to me to be a terrible power, but here it is, and I invite the attention of the lawyers of this House to that clause, and to say if it is not true that this Company may from time to time forever have power to construct branch lines of railways without coming to Parliament at all for a charter? The next clause reads as follows:

"For twenty years from the date hereof, no line of railway shall be authorized by the Dominion Parliament to be constructed south of the Canadian Pacific Railway from any point at or near the Canadian Pacific Railway, except such line as shall run south-west, or to the westward of south-west, nor to within fifteen miles of Latitude 49. And in the establishment of any new Province in the North-West Territories, provision shall be made for continuing such prohibition after such establishment until the expiration of the said period."

Now, my hon. friend from Lambton has dealt with this question, but not exhaustively, I think. The Government asked this Parliament to suspend its functions, for 20 years, and to prohibit itself during that time from authorizing the construction of any line of railway touching the boundary line of the United States. Now, is not that a terrible contemplation? The hands of Parliament are tied for twenty years, so that we cannot give a charter to any company to go to the boundary line of the United States. The hon. member for Niagara

ought to think seriously of that. He must feel it is an extraordinary power to give to a company. It is bartering away the legislative power of this country to this Company, which will have the right, whenever and wherever they choose, to build a line to the boundary line of the United States, and no individual nor company will have the right to get a charter to build a similar line. I call your attention to the section which authorises this Company to extend this line by purchase, to buy the Canada Central Railway and the Occidental Railway, which, with all the other branches and the main line, shall then constitute the Pacific Railway, and have all the privileges and advantages which the Pacific Railway has under the terms of this contract. The Syndicate will have the right of exemption from Customs duties? This seems to be an extraordinary provision which we do not find in the Act of 1872-4. How is it the Government yielded to this, when in Allan's contract there is no such conception? Does it not show that there is some ingenious and astute mind behind all this that make these suggestions, and that has an undue influence on the Government? All the branch lines of railway which this Company are authorized to construct forever shall be exempt from taxation, as well as the main line forever. That is a fair construction of this contract. I call attention to the definition of what constitutes the Pacific Railway. That definition embraces all branches and stations; they all become portions of the Pacific Railway, and consequently are entitled to all the privileges of the railway.

Sir JOHN A. MACDONALD: Where do you find that?

Sir ALBERT J. SMITH: In the 15th section, which reads as follows:

"The Company may lay out, construct, acquire, equip, maintain and work a continuous line of railway, of the gauge of four feet eight and one-half inches; which railway shall extend from the terminus of the Canada Central Railway near Lake Nipissing, known as Callander Station, to Port Moody in the Province of British Columbia; and also, a branch line of railway from some point on the main line of railway to Fort William on Thunder Bay; and also the existing branch line of railway from Selkirk in the Province of Manitoba to Pembina in the said Province; and also other branches to be located by the Company from time to

time as provided by the said contract; the said branches to be of the gauge aforesaid; and the said main line of railway, and the said branch lines of railway, shall be commenced and completed as provided by the said contract; and together with such other branch lines as shall be hereafter constructed by the said Company, and any extensions of the said main line of railway that shall hereafter be constructed or acquired by the Company, shall constitute the line of railway hereinafter called the Canadian Pacific Railway."

I say that these branch lines of railway become a portion of the Pacific Railway and share in all its privileges. If this Company should purchase the Canada Central Railway and the Occidental Railway, these two railways when incorporated will become a portion of the Canada Pacific Railway, and thus the company will have the authority of this Parliament to build branch lines in Ontario and Quebec without referring to Parliament at all. That is a fair legal construction. These extensions and acquisitions shall become a portion of the Pacific Railway, and the clause gives the Company authority to build branch lines from the Pacific Railway to any part of the Dominion. I have no doubt at all that this was the intention of these contracting parties, or else why is the clause inserted. It seems specially provided for that case:

"As respects the said railway, the seventh section of 'The Consolidated Railway Act, 1879,' relating to powers, and the eighth section thereof, relating to plans and surveys, shall be subject to the following provisions:

"a. The Company shall have the right to take, use and hold the beach and land below high water mark, in any stream, lake, navigable water, gulf or sea, in so far as the same shall be vested in the Crown and shall not be required by the Crown, to such extent as shall be required by the Company for its railway and other works, and as shall be exhibited by a map or plan thereof deposited in the office of the Minister of Railways. But the provisions of this sub-section shall not apply to any beach or land lying east of Lake Nipissing, except with the approval of the Governor-in-Council."

I would ask the First Minister, as a distinguished lawyer, whether it is not clearly indicated that it was the intention of the contracting parties that whenever they should require the Central line of railway or the Occidental line they should have the power to take lands, without reference to this Parliament, in any portion of Quebec or Ontario. It says east of Lake Nipissing it was not to be done without the authority of the Government. I think that is plain, because the Government are

not building any railway east of Nipissing unless it was intended these franchises, extensions, and privileges should apply to the whole line of railway; otherwise there is no necessity for that provision. The Minister of Railways, in the long and elaborate speech which he made in opening the discussion, told us that the standard of the Union Pacific, as at first constructed, was the standard provided in the Allan contract. The hon. member for West Durham (Mr. Blake) brought him to book and it was found that the hon. gentleman was in error. The Allan contract was made in 1873, and the Union Pacific was first constructed in 1869, and between those two dates the road had undergone a vast improvement. My hon. friend from North Victoria (Mr. H. Cameron), who is an able and distinguished lawyer, said, and he appeared to speak for the Government on that occasion, for they vociferously cheered him, that the clause meant the Union Pacific as it was in October, 1874. Then we have a letter from the Syndicate, but I say if the hon. gentleman from Victoria (Mr. Cameron) is correct, the sooner this letter is returned to them the better, for I will show that it comprises the standard to 1873, and that it does not provide the same protection to the country with regard to the character of the road as did the Allan contract. The letter says:

"With reference to the objections that have been raised to the description in the third clause of the Pacific Railway contract of the approximate standard named in that clause, we beg to state that when the contract was framed it was not considered that there was any difference of importance between the time of the original construction of the Union Pacific Railway and the date of the Allan contract. We are, therefore, prepared to agree on behalf of the Syndicate, that the description of the standard shall be construed as applying to the Union Pacific Railway as it was in February, 1873."

Now, we were told on the authority of the Government that it meant the standard of 1874, and that this standard was as good as that provided in the Allan contract. This letter shows how hard it was to draw anything out of these gentlemen of the Syndicate. They now send this letter to heal up the difficulty, but even now they have not gone the whole hog, so to speak; they do not cover the ground of objection at all. The letter goes on to say:

"The obligation of the Company will virtually be the same as if that date were substituted in the clause in question for the words 'as the same was when first constructed.' We have no hesitation in agreeing to this construction, as it is obvious that our interest will lead us to construct the railway in a substantial manner with steel rails and efficient equipment, and our reason for desiring that a standard should be named was not in any degree to enable us to construct an inferior railway, but merely to prohibit us from captious or arbitrary criticism."

Now, Sir, what was the standard provided in the contract with Sir Hugh Allan:

"That the railway shall be constructed and equipped according to specifications to be hereafter agreed upon between the Government and the Company, and their materials of, and manner in which the several works forming part thereof shall be constructed, and the mode of working the railway, or any part thereof, including the description and capacity of the locomotive engines and other rolling-stock for working it shall be such as may hereafter be agreed upon between the Government and the Company."

Now, hon. gentlemen will see how the public interests are protected in that contract; but in the present scheme we have not a word about the locomotives, or the rolling-stock, or the tolls, which, as I shall presently show, are in themselves a very serious consideration. The clause in the Allan contract proceeds:

"Provided always that if the Government and the Company should be unable to agree as to the details of any of the matters in this clause mentioned, the same shall be from time to time referred to the determination of three competent engineers, one of whom shall be chosen by the Government, one by the Company, and a third by such two engineers; and the expenses of said references shall be defrayed by the Company. And in order to establish an approximate standard, whereby such matters may be regulated, the Union Pacific Railway of the United States hereby selected and fixed as such standard, but in a general way only, and not with respect to any minor details in its construction or working which may be found to be objectionable, nor with respect to alignment to grades, which shall be as favorable as the nature of the country will permit of without undue expenditure."

Now, we are told that self-interest will dictate to the Syndicate that they should build a first-class road, but the same principle applied in the contract with Sir Hugh Allan, and why were these provisions imposed in the one case and not in the other. The Minister of Railways says the two contracts were identical in this respect, but the Allan contract says

not. This shall not be the standard. The language used is: "In a general way only, and not in respect of any minor details as to the working, nor in respect to the grades, which shall be as favorable as the condition of the country will allow." Why do not these gentlemen, if they want to assimilate that condition with that of the Allan contract, which the Government were under the impression was different from what it is—for the Minister of Railways says that the same standard provided for in the Allan was provided for in the present contract? Another question of some importance is with regard to the ten per cent. The whole country is interested in this matter, and especially the North-West. The contract provides that the Government in Council shall not interfere with the tolls or tariff, until the Company realize 10 per cent on the expenditure connected with the construction of the road. What does that apply to? To the capital actually expended, or to the amount received from the Government by the Syndicate in the constructed portions of the road? It is also provided that the limit to the reduction of tolls by the Parliament of Canada, provided for by the Act of 1879, respecting tolls, is hereby extended, so that the reductions shall not secure less than 10 per cent. per annum profit on the capital actually expended in the construction of the railway. I appeal to hon. members whether that does not mean 10 per cent. on the actual cost of the road. The Government have estimated this road will cost \$80,000,000 or more. This provision then, will authorize the Company to derive 10 per cent. profit from the whole amount expended on that road, if they do not spend on it \$1, and they most assuredly will not expend one dollar. They thus get some \$57,000,000 in cash, besides all on the land. On that amount they will receive 10 per cent., the amount expended by the Government. Before the Government can interfere or arrange the tariff, the Company must receive 10 per cent. interest on the \$80,000,000, or \$8,000,000 a year. It does seem hard that the Government should give \$80,000,000 or more to construct the road, hand it over to the Syndicate, and then that Syndicate should realize 10 per cent. on it, when, in point of fact, they never expended on it \$1. This is not fancy or fiction, but a

fair, legal construction of the language. The Syndicate understand it thoroughly; and the Government have not condescended to give us their own views thereon. I am unable to exert my voice further at this time, but at the same time I may say in conclusion that I hope that hon. members on the Ministerial side will disregard their political bias and lay aside party feeling in a calm consideration of this question. It appears to me the Government are applying the whip to their supporters. I do not use the phrase in any offensive sense. My hon. friend from Ottawa County (Mr. Wright), who lately spoke, seems to have his mind considerably disturbed by this project, and I believe that other members on that side have minds not easy on that subject. If they will come impartially to the consideration of this question and deal with the contract on its merits, I would undertake to say that, if the Government will relinquish this contract, my hon. friends would consent to their remaining in power without any hesitation.

Mr. BLAKE and several hon. members: Hear, hear.

Sir ALBERT J. SMITH: I would cheerfully see the Government continue in power if thereby this contract could be defeated. We would enter into a compact that the Government should remain in their places if they would relieve the country from this calamity threatened by this contract. I implore hon. members on the Ministerial side to consider this bargain as a commercial transaction, and divest themselves of all party feeling in judging of its character.

SIR A. J. SMITH.

January 14th, 1881.

Sir ALBERT J. SMITH: If we wanted any evidence as to the justness and fairness of the motion now before us, I think that evidence is supplied by the last speaker. I feel curious to know how that hon. gentleman will vote on this question. I have the opinion, though he will vote in direct opposition to his speech but it proves correctly, Mr. Speaker, how reasonable this proposition is now before

the House is, and we had a right to expect that when the Minister of Railways rose to speak on this question, he would have given us some reason why this motion should not be granted. It seems to be his duty and fitting for him in his relation to this transaction that he, in a plain proposition like this would simply ask that time be given to consider a proposal made by a number of gentlemen in this country, well known for their respectability, for their financial ability, and for every element that is necessary to qualify them to construct this great Pacific Railway. Why not have an opportunity to consider this question. The hon. member for Cardwell says that this is a mere political trick! What authority has he for that? He has no right to insult the gentlemen who signed that offer. They are men who could fairly compare with him; men who have a recognized position in this country for character, responsibility and wealth. How dare he stand up in this House and make such an attack as that upon them? Mr. Speaker, the Minister of Railways instead of turning his attention to this question, as was his duty, made a speech which was unworthy of him, or any gentleman occupying his position. He must not suppose he is going to delude the people of this country by the course he is adopting. Instead of offering reasons for this, he has thought fit to make a personal attack upon me, but I am not sorry he has done that. He has done that once or twice behind my back, but I am before him now, and will square accounts with him. He has said that in 1873 I was false to my duty, and to the Government of which I was a member; that I deserted them—that I had been a supporter of that Administration. The hon. gentleman knows very well that that statement is not founded in truth. He knows very well—and it is necessary for me to refer to it—that when I first entered this Parliament I came from my Province having fought the battle of Confederation there. I am not ashamed of the course I took there. I spent a great deal of my time, and went through no less than three elections in connection with that question, and stood firm in my allegiance in what I considered to be my country and my people. I resisted, Sir, that measure, but finally it was carried. I felt it was my duty to submit to

the decrees of the people who had determined in favor of that proposition. I made up my mind to offer no captious opposition of any kind to the fair working of that measure, and it was followed by the great benefits that its promoters said it would be, nobody would rejoice more than myself. When I came to this Parliament I came a free and independent member. I was not allied to any party. I found the political parties mixed and confused. I found gentlemen who had been Liberals favorable to the scheme of Confederation, and parties so mixed that there was nothing for me but to act as an Independent member who had opposed Confederation. I gave the Government of the day a fair and reasonable support so far as I thought they were right. I was not in their confidence; I was not really a follower of that Government; I did not attend their caucuses. I had nothing to do with their confidence in any way but when any question came up before this House, I, as an Independent member, being allied to neither party, exercised my own judgment on all those questions and voted according to my convictions. This course I adopted and the hon. gentleman knows it well. Does he not know, in 1871 when the scheme of union with British Columbia, was under consideration here I opposed it at every stage?

Sir CHARLES TUPPER: The hon. gentleman need not take the trouble to admit that. In 1871 he was with them, but he was with us in 1872.

Sir ALBERT J. SMITH: I have so little confidence in—I was going to say the hon. gentleman's veracity—that I am not willing to take this statement, because the next hour he will be ready to deny what he admits now. I intend to read a portion of the speech which I made on that occasion in 1871. I was then just as much of a supporter of the hon. gentleman's Government as I was in 1872.

Sir CHARLES TUPPER: No, no.

Sir ALBERT J. SMITH: I came here in 1867, and my course was perfectly consistent. I supported them when I thought they were right, and voted against them when I thought they were wrong, as in the British Columbia question, and

as I did in 1872, when I voted for the proposition which the hon. gentleman has referred to. Here is what I said, in 1871, and my attitude to the Government was precisely the same then that it was before that:

"Was the House ready to involve the country in so large an increase of debt? The debt was already \$100,000,000, and there were many burdens that would arise from the Intercolonial and other works. The Union Act had provided for the extension of the Court system, and that had only been delayed because of the deficient state of the finances of the Dominion. The cost of the railway could not be named, it might be much greater than the amount named, and yet *coute que coute* the country would stand pledged to complete it. He should oppose the measure, because it would impose burdens on the people that they were not able to bear, and would involve the country in ruin and disaster."

Now, Sir, what was my attitude on that question of union with British Columbia?

Sir CHARLES TUPPER: Yes, contrast it with your attitude when you voted down the resolution of the hon. member from Bothwell.

Sir ALBERT J. SMITH: I will come to that if the hon. gentleman will keep quiet. I will convict him of having made false and malicious charges against me. I will refer to that again. Now, in 1872, this scheme for the introduction of British Columbia into this Union had been consummated; I did all I could in the way of my voice and influence in the way of protestation to prevent the consummation of that insane bargain. The bargain, however, was completed, and the Government had agreed positively in the most unqualified manner to build and construct this road from Lake Nipissing to the Pacific Ocean in ten years. Why, Sir, anybody looking back now on the experience we have had, knows that that was an act of folly, of insanity; but they are not willing to admit it. They tell us time was of no importance; that it was engrafted in the contract, but still it was of no importance. When this measure was submitted to the House to devote \$30,000,000 and 50,000,000 acres of land towards the construction of this road, I voted for that proposition, and I will give the reason why. It was supposed then, as I said the other day, that the country was an unknown country. We all supposed, and I had the opinion then, that this railroad would cost \$15,000,000 at least.

Sir CHARLES TUPPER: Hear, hear.

Sir ALBERT J. SMITH: The resolutions were passed, not with the consent of the Government, for they were driven to it, that that road should be built by the agency of a company and not by the Government. The resolution was introduced simultaneously or shortly after the resolutions for bringing British Columbia into the union, and at that time seemed to me to be a wise and prudent one, but since that time, we have expended millions and millions of money in organizing a system of Government there and the circumstances of the country have entirely changed. But the hon. member has made a charge against me, which, should he sustain, would render me unworthy to sit in this House. He practically charges me with having sold myself to the late Government for office. The fact that the hon. gentleman made such a charge simply goes to prove his recklessness. There is no public man in Canada who has done so much to degrade public life as that hon. gentleman; it seems to be instinctive in his nature to vilify and slander. The hon. gentleman said in my absence, in his own country, on declaration day that I was an office seeker. I had fought the election honorably, and without indulging in personalities towards him or any one else; and I thought, after the battle had been fought and won, and the then Government had been defeated by the voice of the country, that the hon. gentleman might have refrained from the personalities in which he indulged in. Upon the hustings in his own country he said I was an office-seeker; that I had knocked at the door of the Government of which he was a member, for office, and that if I had got it I would not have been found where I was. I wish now to ask the hon. gentleman if he said that or not? A few days afterwards he repeated the statement in my own country. I see that the Finance Minister has left his seat. I should have been glad if he was present, so that I might have appealed to him. Last Session, from my place, I challenged the Finance Minister—who knew me and knew my political antecedents, as I had been associated with him for ten or fifteen years in the Government of New Brunswick—I asked

him if he was prepared to justify the hon. member for Cumberland (Sir Charles Tupper) in making the charge he made against me. The Finance Minister intimated, with some reluctance, that he was not prepared to sustain the charge. Then I said to the Finance Minister, if you knew that the Minister of Railways made this charge against me in my own constituency in my absence, why did you not have the manliness to stand up in behalf of one who was associated with you for many years, and say that the charge was not true. That, Sir, would have been a manly and a generous act to do. Now, let us see what is the evidence on the point. The hon. Minister of Railways made these charges—I presume he will not deny that he did—but if he does I will produce the evidence. Now, I would ask the hon. gentleman if he ever made me an offer in the Cabinet of which he was a member.

Sir CHARLES TUPPER: Never, never. That was the trouble—that was what you wanted and could not get.

Sir ALBERT J. SMITH: I made a speech on this subject last Session; I made it in the presence of the Minister of Railways. I said he had made a certain statement, and I asked him, if he denied making it, to say so. Here is what I said.

"But after his election, he denounced me, though we had been on friendly terms personally, so far as I know, for thirty years. At least I never had any personal altercation with him, and we have been the representatives of adjoining counties for many years, his in Nova Scotia and mine in New Brunswick. I conducted my election honorably, and never indulged in expressions derogatory to him, nor in personalities of any kind. Well, on the day of the declaration in his own county, the hon. the Minister of Railways made a violent attack on me, and abused me fearfully, representing me as false to the country, as one who had no interest in it, but who seemed desirous of destroying its best interests; and not satisfied with that, when the battle had been fought, and he might have been supposed content, he attended a meeting in my county at Moncton, being accompanied by the hon. Finance Minister, and the hon. member for King's, N. B., (Mr. Domville), being present at that enthusiastic demonstration; when he thought fit to denounce me, in the heart of my own county. He told my constituents that I was an office-seeker, and always had been; that I had knocked at the door of his Government for office. If that is not true, he can rise and correct me."

Did the hon. gentleman rise and correct me?

Sir CHARLES TUPPER: I will rise and correct you presently.

Sir ALBERT J. SMITH: I am not at all alarmed. I think I understand the hon. gentleman. I say that this statement was not true and I ask him if the fact that he kept his seat on that occasion was not an admission that it was not true.

Sir CHARLES TUPPER: No, no.

Sir ALBERT J. SMITH: I would ask, Sir, if that is the course which an hon. gentleman should take. I would ask you, Mr. Speaker and the members of this House if such conduct can be justified by the House or the country. I say that the very fact that the hon. gentleman did not answer on that occasion is an admission that my statement was true. I said further when I referred to this subject last Session:

"He added, that his Government had refused me office, which had they given me, would have placed me on the Government side instead of the Opposition. The hon. member for Cumberland must have known there was no foundation in truth for such a statement, and he had a witness beside him, the hon. the Finance Minister, who also knew it was false and baseless. The hon. the First Minister, to do him justice, I believe would say that I never asked for office; but he was kind enough to offer me the Lieutenant-Governorship of my own Province, as did also the hon. the Minister of Railways himself."

Now, Sir, I repeat the statement I then made that the hon. member for Cumberland did offer me a seat in the Cabinet in 1873, and pressed me to take it. He knows I declined it. The hon. gentleman further offered me the Governorship of Nova Scotia, and he offered me the Governorship of New Brunswick. His first act as a member of that Cabinet was a very kind offer to me of the Governorship of my native Province. Besides, I had another offer from a member of the Government of 1873. I affirm these facts to be true. I have before stated, in my place, these facts in the presence of that hon. gentleman without contradiction. Now, then, it does seem to me hard that he should make this attack upon me when there is no evidence whatever in support of it, and when his own colleague, the hon. the Finance Minister himself

contradicted and stated distinctly, last Session, that I had never been an office-seeker. The hon. gentleman stated that, in 1872, when I ran my election, I intimated that, but having stated on the hustings that I would support the then Government I would not have been successful.

Sir CHARLES TUPPER: I beg the hon. gentleman's pardon; I never made such a statement.

Sir ALBERT J. SMITH: I understood him to say I made the declaration on the hustings. I have run thirteen elections successfully, and I think I can run another if the hon. gentleman opposite would be kind enough to give us a chance.

Sir CHARLES TUPPER: I do not think you could.

Sir ALBERT J. SMITH: I would like to challenge the hon. gentleman. He thought I could not the last time. He exhausted all his resources and they were unavailing. I would like to have the opportunity of running my country again, and I think many more members would like that opportunity. When there is so much difference of opinion in the country, in regard to this Syndicate, it seems to be a fit and proper time to have a dissolution. If we go to the country and are defeated, we will quietly submit and be satisfied, but the Government dare not give us a dissolution; they know that the people are entirely opposed to this Syndicate. The hon. gentleman has failed to answer any of the objections I made, last night, to the present scheme. He has stated that this contract was made in accordance with and under the authority of the Act of 1874. Now, that seems to me to be a reckless statement, unfounded in fact and in law. I challenge the hon. gentleman to put his finger upon a single clause of the Act of 1874 that runs coincidentally with any clause of the contract. He stated that the Statute of 1874 authorized a grant of \$10,000 a mile, amounting in all to \$30,000,000. Does this contract confine the amount to be given to the Syndicate, to \$30,000,000? Does the Act of 1874 authorize the Company to go to the North-West Territory and select the choicest lands in that region? Not a word of that kind. The contract of 1874

requires that the land should be taken in Ontario, wherever it may be found along the line of the railway, along the north shore of Lake Superior. But what, under the Act of 1874, does the Company do when they cross the boundary of British Columbia? Do they come back to the fertile belt? No; they take the portions of the land in British Columbia, which were worth nothing comparatively, wherever they could find them, and they took a small portion which was allotted in the prairie section precisely as they took it in Ontario and British Columbia. Then with regard to the land and money, is there any authority for that in the Act of 1874? None whatever. It is directly contrary to the law. Where is the provision authorizing the exemption from Customs duty? Where is the provision in the law which exempted the land from taxation? It is not there. The Hugh Allan contract provides for none of these. Where does the Act of 1874 confer upon the company power perpetually to build railways in that country whenever they like? Now, is that not a most terrible power to give to this Company? Without any limitation of time, for 100 or 200 years they shall have the right in the whole of that country, larger than Ontario and Quebec together, forever to construct railway lines and branches to the main line, without reference to this Parliament. Now, do hon. gentlemen really comprehend the enormity of this proposition? Why, the legislative power of this country is tied up. If we feel that they are building branches prejudicial to the interests of this country the arm of this Parliament is paralyzed to stop it. I stated the other night that the revenue derivable from the Pembina Branch would go to these gentlemen at once. Last year I stated it was \$60,000, and that has not been denied. I stated that by the increased population of this country the business of that line would so increase that the yearly net revenue would not be less than \$100,000 or \$150,000. In the course of 10 years that comes to \$1,500,000 actual cash paid into the company, besides the revenue derived from the prairie sections. If I understood the Minister of Railways aright, he told us that the first 100 miles westward from Selkirk could be built and equipped for \$700,000. Now, let us see

what benefit these gentlemen will get from that under this agreement. When this scheme is consummated I understand about 80 miles of that road will be finished and ready for traffic. These gentlemen will come to the Finance Minister and say, "We want, as we have a right to have under the contract, the possession and the use of this 100 miles of railway, and we want to pay you, as the contract provides we should pay you, the cost of this railway, which is \$700,000. Here is the cheque;" and the Finance Minister accepts the cheque. While the hon. Finance Minister accepts the cheque, the gentleman turns to him and says, "Now I have paid you for that road, I want a million dollars from you." How is that? Why, under this contract there are \$10,000 a mile for this 100 miles of railway which the Government have built, and they are entitled to a million of money, for which he gets his cheque, puts it into his pocket, and thus has \$300,000, besides getting the road. So much with regard to the money. This agent then will say, "I want a grant of one and a quarter millions acres of land." What is that worth? If it is worth \$3 an acre, there are \$4,500,000 worth of land, besides \$300,000 cash, making \$4,800,000 that these gentlemen get in connection with the first hundred miles of the road, and that road built by the Government. And besides these amounts, the Company will own the road. How is it that the hon. gentleman, inasmuch as there is a difference of opinion as to the construction of this clause which provides the ten per cent. has not given us his view of its construction. The clause is as follows:—

"20. The limit to the reduction of tolls by the Parliament of Canada provided for by the eleventh sub-section of the 17th section of the *Consolidated Railway Act*, 1879, respecting TOLLS, is hereby extended, so that such reduction may be to such an extent that such tolls when reduced shall not produce less than ten per cent. per annum profit on the capital actually expended in the construction of the railway, instead of not less than fifteen per cent. per annum profit, as provided by the said sub-section; and also that such reduction shall not be made unless the net income of the Company, ascertain as described in said sub-section, shall have exceeded ten per cent. per annum instead of fifteen per cent. per annum as provided by the said sub-section. And the excise by the Governor-in-Council of the power of reducing the tolls of the Company as provided by the tenth sub-section of said section seven-
teen, is hereby limited to the same extent with

relation to the profit of the Company, and to its net revenue, as that to which the power of Parliament to reduce tolls is limited by said sub-section eleven as hereby amended."

Does it say the capital expended by the Company in the construction of the railway? It says, "Capital expended in the construction of the railway." Can any hon. member, having regard to the true construction of language, say that does not embrace all the expenditure in the construction of that work? What is the effect of it? It is that the Government furnish the whole money and more than the money required. We admit we furnish \$53,000,000 for the construction of the work, besides the surveys, which cost about \$4,000,000, making \$57,000,000 in cash; and on that \$57,000,000 the Syndicate are entitled to receive ten per cent. They are entitled also to ten per cent. on whatever they have to get out of the lands which the hon. Minister of Railways estimates at about \$80,000,000. Suppose every cent, as I hold every cent will be given by the Government, they will receive—there is no power under this contract which prevents them from receiving—ten per cent. on \$80,000,000, or \$8,000,000 clear. Is it fair to the people, if \$80,000,000 of their money is put into a railroad and that railroad passed over to the corporation, that the Government should have no voice in the adjustment of the tariff, that the Company shall have the power to regulate tolls and tariffs as they choose, and receive ten per cent. on the \$80,000,000 expended on the road. I am surprised that the hon. Minister of Railways should not accede to the just and reasonable proposition of which the hon. member for Halton (Mr. McDougall) expressed himself in favor, and which the hon. member who preceded me also practically supported, and allow us time to consider this question further. We want to see what this offer is. If we can save \$10,000,000, \$15,000,000 or \$20,000,000 by delay, surely the hon. gentlemen who would sustain the proposition would be rewarded by the gratitude of the people.

Sir CHARLES TUPPER: I rise for the purpose of stating—

Sir RICHARD J. CARTWRIGHT: I rise to a point of order. The hon. gentleman has spoken already.

Sir CHARLES TUPPER: I rise to make a personal explanation. If I am not to be permitted to make a personal explanation, I will take another means of answering the speech which has just been delivered by the hon. member for Westmoreland (Sir Albert J. Smith.) That hon. gentlemen will understand it is not in his power or that of any other hon. member to prevent my taking the opportunity I now desire to take, to make an explanation—

Sir RICHARD J. CARTWRIGHT: I rise to a point of order. The hon. gentleman has already spoken. He made a gross personal attack on the hon. member for Westmoreland, to which that hon. gentleman quickly and properly replied. I will not deprive the hon. gentleman of making a purely personal explanation, and if he chooses to confine himself to that, I have no objection to make, but he has no right to proceed to make his other speech.

Mr. PLUMB: I move the adjournment of the debate.

Sir RICHARD J. CARTWRIGHT: I have the floor.

Sir CHARLES TUPPER: I had the floor, and the hon. gentleman rose to a point of order.

Mr. MACKENZIE: The hon. gentleman cannot possibly have the floor, for he has already spoken.

Sir CHARLES TUPPER: I had no intention when I rose to deal with any other than the personal question raised between the hon. member for Westmoreland and myself. I do not intend to add a single word to the subject under discussion, but I do claim the right to deal with the remarks which the hon. member for Westmoreland made touching the question under dispute between himself and me. We listened this afternoon to the elaborate eulogium of the member for Westmoreland (Sir A. J. Smith) from the member for Gloucester (Mr. Anglin). Now, I will prove from the mouth of the member for Gloucester everything I have stated with reference to the member for Westmoreland—that while the member for Westmoreland stood on the floor of this House, he was an office-seeker. He wants to know why I did not reply to him a year ago. He knows very well he

was put up to make that statement for the purpose of getting me to make a reply then in order that another hon. gentleman should have an opportunity of coming at me.

Sir ALBERT J. SMITH: It is not so.

Sir CHARLES TUPPER: It was not of sufficient importance to me, however, to warrant by losing the position in the debate that I thought it was necessary I should occupy. I gave no assent, however, to any statement the hon. gentleman made; I could not have done so without exposing myself to what the hon. gentleman has just accused me of—making a false statement. I will give him my reason for the opinion that he was an office-seeker, and was influenced by his desire for office in the course he pursued in and out of the House. I can read a speech which proves, in the most conclusive manner, that on the great public questions of the day he was diametrically opposed to the Government of Sir John A. Macdonald in 1871. He had taken the trouble to give the House his opinion that he regarded the scheme of that Government in a certain case as one of the most insane proposals that any Government could commit itself to, and yet one short year after you find him voting down a motion made by an hon. gentleman with whom he was, in 1871, co-operating against the Canadian Pacific Railway, and which was supported by the member for Bothwell,—that it was unwise to place in the uncontrolled Government \$30,000,000 and 50,000,000 acres. How does the member for Westmoreland reconcile that with his present course? He says he was offered a Governorship. It is true that I did intimate to the hon. gentleman that the present Minister of Finance had stated he believed that the member for Westmoreland would be an acceptable Governor to the people of New Brunswick; and reported after having had orders from my colleagues to communicate with them, that it was not a Governorship he wanted but a seat in the Cabinet. I ask him, will he venture to deny, that when I discussed with him the question of his appointment of Lieutenant-Governor of New Brunswick, I said it would be a great deal better for Tilley or Mitchell to take the position?

Sir ALBERT J. SMITH: Absolutely untrue.

Sir CHARLES TUPPER: If the hon. gentleman is prepared to deny that, he is prepared to deny anything.

Sir ALBERT J. SMITH: Absolutely untrue.

Sir CHARLES TUPPER: He was diametrically opposed to the Government of the day on the great fundamental questions of its policy, and in 1872 was stand-side by side voting for and sustaining that Government in relation to that very question, on a most vital and important point—that he should have the power wanted over on the land and money appropriated for the railway without being obliged to ask Parliament year by year for authority. I would give the hon. gentleman more facts. He says this was an insane proposition, that it was monstrous to involve this country in such a dreadful liability. Yet, what did he do? He went back to his people, and has not and dare not deny, because the journals will furnish the proof, to ask them to do—do what? To condemn the Government, as it was going to ruin Canada by that insane policy? No; he asked to be sent back to sustain the Government committed to that very policy.

Sir ALBERT J. SMITH: Not true.

Sir CHARLES TUPPER: Does the hon. gentleman deny that he stated that if he was returned to Parliament, after five years' experience, he believed the interests of the country, and especially in the Maritime Provinces, required that he should support the Government of Sir John A. Macdonald and not the Opposition—that was to support the Government that to-night he declares were committed to an insane, dreadful project, which is going to ruin Canada. I will now give the hon. gentleman the opinion of his colleague with whom he sat, *dos-à-dos*, during 1872 in this House, and who has passed this brilliant eulogium upon the late Minister of Marine and Fisheries. He says of the member for Westmoreland that he had covered himself with infamy unspeakable for a consideration. A vote was proposed in this House—in fact was proposed by the Government of Sir John

A. Macdonald—and the member for Westmoreland, for what reason he has got to explain to the House and country, voted side by side with the right hon. leader of the Government. The member for Westmoreland was then held up to public obloquy and contempt by the member for Gloucester in a speech dated 12th April, 1873, in which he declared that the men who had voted for the motion and question were willing to cover themselves with infamy unspeakable for a consideration. He also wrote that they were prepared to sacrifice honor, character, honesty and reputation.

Sir ALBERT J. SMITH: He said the same of you.

Sir CHARLES TUPPER: That is quite true, but I was not looking for a Governorship.

Sir ALBERT J. SMITH: Is that true?

Sir CHARLES TUPPER: The member for Gloucester also said that men with characters to lose, with reputations to forfeit, will wade through filth so vile to a Governorship. What was the matter with the hon. friend of that gentleman that he would then wade through filth so vile?

Sir ALBERT J. SMITH: The Governorship did not come.

Sir CHARLES TUPPER: It was not the Governorship the hon. gentleman wanted. It is quite true when he went up, hesitating, and declaring that he was prepared to turn his back upon his old associates, and unite his political fortunes with the Government in power, that I said to him he preferred to be the Governor of Nova Scotia to the Governor of New Brunswick, I had no doubt the matter could be arranged. That statement is quite true.

Sir ALBERT J. SMITH: That statement is not true.

Sir CHARLES TUPPER: In all my communications with the hon. gentleman I sent back to by colleagues—and they all know the statements I am making to be true—"What Mr. Smith wants is Mr. Mitchell's or Mr. Tilley's place, and not a Governorship," and I say here in the presence of the assembled Parlia-

member for
ason he has
aid country,
e right hon.
The member
held up to
mpt by the
speech dated
he declared
oted for the
lling to cover
peakable for
ote that they
or, character,

: He said

: That is
ooking for a

: Is that

: The mem-
at men with
putations to
th so vile to
the matter
t gentleman
ugh filth so

: The Gover-

R: It was
gentleman
en he went
that he was
pon his old
ical fortunes
wer, that I
he Governor
nor of New
the matter
statement is

TH: That

: In all my
gentleman
s—and they
am making
ith wants as
place, and
say here in
bled Parlia-

ment that I ascertained beyond doubt from the hon. gentleman and from his own statements, that what he desired was the position held in the Cabinet by Mr. Mitchell or Mr. Tilley, and as the Government felt that either of those gentlemen possessed a greater amount of ability than the hon. gentleman and was more entitled to the position, we could not, in the public interests, ask either of them to make way for the hon. member. Now, Sir, that was the position. He says I have made a false and malicious statement. Why, Sir, if any other member of this House had made that statement I would have asked that the words be taken down, and I will tell him why I did not in his case. I knew that the hon. gentleman put on record his vote in this House that the statement of an hon. gentleman in this House was a false, scandalous and malicious statement, and I knew him afterwards, as a member of a Government, to present that same man to this House to be elected as its Speaker; so, I say, as false, malicious and scandalous words coming from that hon. gentleman—always be treated as idle wind when they remember that when his interests require him to make such a statement he will make it, and when his interests demand another statement he will state that opposite. I told my colleagues what I believed, and it was this: "Either Mr. Smith will have a seat in the Cabinet or he will intrigue for a seat in another." The hon. gentleman got permission to come back here on a declaration which he made to the electors from the hustings that he came as a supporter of Sir John A. Macdonald, but he went over to the other side when they had a seat in the Cabinet to offer him.

Sir ALBERT J. SMITH: You know you are making a false statement.

Sir CHARLES TUPPER: We had no seat in the Cabinet for the hon. gentleman, and those who had it were in a position to take him out of our hands, and they did it. He says he did not depend on that statement for his election. I did not say he did. I do not say he would not have been elected. He says he had a majority of 700. How did he get that? He knows that a petition was filed against him for having obtained

that by scandalous and wholesale bribery. How did he escape that petition? By going into court and showing it was not true!

Sir ALBERT J. SMITH: I do not rise to call the hon. gentleman to order, but I want to know, will I have an opportunity to reply?

Sir CHARLES TUPPER: I have no objection in the world. He escaped that petition, not by going into court, as an honest man would have done, and challenging his accusers to bring the proof, but he escaped it by putting up the defence that the law which his Government had themselves put on the Statute-book prevented any appeal to the Supreme Court. That appeal came here, and the court decided that the law was bad, but the decision came too late and thus he escaped, for, in my judgment, he would not otherwise be sitting here to-day.

Sir ALBERT J. SMITH: Your judgment is not worth anything, in my opinion.

Sir CHARLES TUPPER: I have answered the questions the hon. gentleman asked me, and, in candor, I am prepared here and everywhere to leave the question as to how far the temptations of office have appealed and influenced the hon. gentleman upon the statement he has made of his own action, and the evidence he has furnished to this House here to-night.

Sir ALBERT J. SMITH: The hon. gentleman, true to the interests of his own nature, has indulged in that which, I say, characterizes him, and which has lowered and degraded him below any public man in Canada (cries of O! O! O!). Yes (O! O!) that is his characteristic, and it is known, perhaps not so much in Ontario as in the Provinces of Nova Scotia and New Brunswick. Whenever anything is said there that is so extravagant that it cannot be believed, it is nothing but "a Tupperism." That is the kind of reputation the hon. gentleman has down in that region, but the hon. gentleman has not denied my statement. I said that he himself had offered me a seat in the Government. Has he denied that in his place? I said one of his colleagues had offered me a place in the Government also. Has he denied that?

He dare not deny it! I throw it back on him! I ask him if he did not, in a hotel in this city of Ottawa, come into my room, first on my arrival here in October, 1873, and press me to take a seat in his Government? He says, when he met me in St John he had telegraphed me to meet him there, and then says his colleagues were willing that I should have a Governorship, and that my appointment would be acceptable to the people. Will that hon. gentleman deny that he pressed the Governorship of New Brunswick on me, and when I refused to take the Governorship of New Brunswick, he then offered me the Governorship of Nova Scotia, and said he would take the Governorship of New Brunswick himself? Will the hon. gentleman deny that I should like to know? He says that, after our interview in St. John, he referred to his colleagues, and told them that I would not take a Governorship, and that what I wanted was a Cabinet office. If he stated that to his colleagues he said what was not true, for I never made such an intimation. If I wanted a Cabinet office here, would not I have taken it when it was offered to me? Sir John A. Macdonald, as I said in my former observations, kindly offered me the Governorship of New Brunswick in 1877, and what he says I stated on the hustings is not true. What I did say was this: that I had come here as an Independent member, that I had given the Government my support when I thought they were right, and condemned them when I thought they were wrong. I asked to be returned in the same position, but I was prepared to give the Government credit for having done justice to the Lower Provinces. I said, "If you elect me I will go back as an Independent member, and will exercise my own discretion." Does the hon. gentleman suppose that any man endowed with a sense of honor, would undertake to follow him through the dirt and mire of the Pacific Scandal? It is no pleasure to me to refer to that transaction, but the hon. gentleman has involved a full discussion of it. Could any man justify that scandal? The hon. Finance Minister, I see, has returned to his place now. He was conspicuous by his absence when I was speaking. I ask him, if I ever applied for a position—was I ever an office-seeker in any shape or form?

Sir LEONARD TILLEY: I am not aware that the hon. gentleman made any application to me for an office. I was permitted to place myself in communication with him and offer him a Governorship, which he declined. I know, subsequently, the hon. gentleman who is now Minister of Railways had a communication with him, and reported to his colleagues—I will not say whether it is right or wrong—that the hon. gentleman had declined to him the Governorship of New Brunswick, and said he wanted a seat in the Government. The hon. gentleman says that another member of the Government offered him a seat; if he refers to me, I never, in any communication I had with him, intimated to him that a seat in the Government was at his disposal. That subject was never referred to; it was confined to the Governorship.

Sir ALBERT J. SMITH: That is very true, but it is a remarkable thing that I never heard this before. It is a wonderful instance of the retentiveness of the hon. gentleman's memory, and it is wonderful how clearly it accords with the recollections of the Minister of Railways. I have only to state that it was not true. I ask the Finance Minister if I did not tell him, during the time that his administration was in power, that I did not want any office. When I was here supporting his Government, now and then supporting him when he was right, and opposing him when he was wrong, I told him more than once that I did not want any office.

Sir LEONARD TILLEY: I do not recollect any conversation on the subject, except our communication with reference to the Governorship.

Sir ALBERT J. SMITH: Does he deny that I was offered a seat in his Government?

Sir LEONARD TILLEY: I deny it. I say that it was not in my knowledge.

Sir ALBERT J. SMITH: Will the Finance Minister say that an offer was made to me by two of his colleagues on two different occasions, and that he did not know it?

Sir LEONARD TILLEY: I was never aware that an offer was made to

MR. KING.

January 19th, 1881.

him of a seat in the Government, because it was my seat. I had no intimation that I was to leave, and I had no knowledge that there were any vacancies. I was not aware that my colleagues had any authority to offer any seats.

Sir ALBERT J. SMITH: The Minister of Railways does not deny that he offered me a seat.

Sir CHARLES TUPPER: I deny it most positively, and I say besides that I never had such authority to make such an offer.

Sir ALBERT J. SMITH: I will endeavor to revive the hon. gentleman's recollection. Does he recollect being in my bed-room, at the Russell House, in October, 1873, on the day of my arrival in Ottawa.

Sir CHARLES TUPPER: Before that time the hon. gentleman had placed himself in the position of the strongest and fiercest antagonism to the Government of the day. The statement of the hon. gentleman is without a shadow of truth.

Sir ALBERT J. SMITH, who was indistinctly heard, was understood to say that when the Minister of Railways was asked why he had not answered his (Sir Albert J. Smith's) question, he replied that he was afraid he was losing his right to speak. The speaker proceeded: Now, that statement was untrue, and I ask the hon. gentleman why he had not the manliness and the justice to rise and say it was untrue, instead of making the excuse that he was afraid he would lose his right to speak. I make the statement solemnly and on my honor as a man that the hon. gentleman, in this city, offered me a seat in his Government, and that another member of his Government offered me a seat in 1873. The hon. gentleman has charged me with bribery in my election. I throw that charge back in his face, and I say that no man in the Dominion is so corrupt as he—that he is notorious for his bribery and corruption.

Mr. KING said: Mr. Speaker, I have listened to the speech of the hon. member from Lunenburg (Mr. Kaulach), who has just resumed his seat, and I am pleased to know, Sir, that one gentleman has been impressed by speeches delivered by hon. gentlemen on this side. He has pointed out to this House almost as many objections as I can, and yet, Sir, I have no doubt he will vote for the contract. I have listened with attention to the speech of the hon. Minister of Railways and Canals, delivered at the opening of this debate, and Sir, I dare say his friends in and out of Parliament look upon it as an able effort. Well, Sir, the only attempt at justification, on the part of the hon. member for the adoption of this bargain, was that it was better than the Allan contract, to which he himself was a party; or, the offers made by the hon. member for Lambton, which have never formed the basis of a contract. Let me say here, Sir, before proceeding farther, that I also listened attentively to the other speech delivered by the hon. Minister of Railways and Canals, when attempting to defend his and the Government's position in forcing the contract through this House without giving time for the House or country to consider it. If the hon. gentleman was now in his place, I should at once request him to do me the favor of sending as many copies of that last speech into my county as were sent of the former. I have no doubt, Sir, it would be an antidote to the first, and the effect would be all I could desire. I was not surprised to find the hon. Minister of Railways and Canals defending the plea urged by the right hon. the First Minister, while attempting to force this contract through Parliament with indecent haste, in order to facilitate the interests of contractors by enabling them to secure ties. I had not forgotten, Sir, and the public have not forgotten, that a similar plea urged with reference to another contract on this same Canadian Pacific Railway, has cost the country some \$214,000. And more, Sir, that in a few days or weeks the same contractors disposed of their interest for a consideration. We are now asked to vote away the same

section for ever, giving the Syndicate ten years in which to complete the contract. I do not propose to take up the time of the House by instituting comparisons between present and former contracts or offers for this work. These offers are things of the past. This Parliament has now no opportunity of choosing between them. But we are now face to face with the newer propositions, and while I do not hold myself committed to either, I do say this, if we are compelled to choose either of two evils, we ought to choose the least. It must appear to every hon. member of this House that this contract has some novel features in it. In ordinary contracts with the Government it has been customary for the Minister having supervision over the work to be let, to base his contract on tenders elicited by public advertisement; the Minister of Finance being specially charged to provide the funds wherewith to meet the liability incurred. But in this case, Sir, a secret bargain has been made, and almost every department in the Government has been compelled to make its contribution to the Syndicate. First, Sir, we have the Minister of Finance coming down handsomely with \$25,000,000 of the people's money; next, Sir, we find the Minister of the Interior pledging his department for 25,000,000 acres of land; the picked lands, the fertile lands of the North-West; and more, Sir, agreeing to extinguish the Indian titles to those lands. Still further, Sir, agreeing to exempt those lands from taxation for 20 years, or till sold; also the road bed, rolling stock and other property for all time. Next, Sir, we find the Minister of Customs agreeing to insert a clause in this contract, by which the Syndicate are allowed to import, duty free, steel rails, fish plates, and other fastenings, spikes, bolts, nuts, wire, timber, and all material for bridges to be used in the original construction of the railway and branches forming part of the road, thereby contributing his \$1,000,000 or more to this work. Then, Sir, we come to the Minister of Agriculture, who is charged with the work of promoting emigration to the North-West, and who has been credited by the Minister of Railways and Canals with a stroke of genius in his management. He has omitted in this contract to make

an arrangement by which emigrants going to that country would be conveyed at fair and reasonable rates, leaving the gentlemen of the Syndicate masters of the situation. Should they deem it more desirable to settle first their own large areas of lands south of the boundary or in the North-West, by discriminating against the Government in settling their lands, they have the power to do so. Then, Sir, we find, contrary to precedent in dealing with American transcontinental lines, no provision has been made for the carriage of mails, either, free or at reasonable rate, leaving that an open question to be arranged with the Postmaster-General and the Syndicate at some future day. Then, Sir, we are told that this is to be a military road. But not one word do we find in it relating to the carriage of troops, ammunition or supplies. This, Sir, it seems to me is an omission on the part of the Minister of Militia which is not warranted. I quite understand, Sir, that the Consolidated Railway Act gives the Governor-in-Council power to arrange for this as well as the postal service of the country. This may, Sir, meet the case in dealing with ordinary railway lines built by private capital. But in a work of this kind, involving at least hundreds of millions of the people's money, the whole of which may be now or may soon become the property of a foreign company, some provision should have been made for these services. Then, Sir, section 26 of the contract provides:

"The Company shall have power and authority to erect and maintain docks, dockyards, wharves, slips and piers at any point on or in connection with the said Canadian Pacific Railway, and at all the termini thereof, navigable water, for the convenience and accommodation of vessels and elevators; and to acquire, own, hold, charter, work and run, steam and other vessels for cargo and passengers upon navigable water, which the Canadian Pacific Railway may reach or connect with."

It seems to me that this may be turned to account by the gentlemen of the Syndicate, so as to ensure a monopoly of the carrying trade on some, at least of our inland waters; and in this way, Sir, the Minister of Marine, or the gentleman who succeeds him, may be able to contribute his quota to this work. It would be well, I think, Sir, for some gentlemen who are interested in the carrying trade by water to look

carefully into this provision and estimate its value for all time to come, if they can. Then, Sir, the hon. Minister of Justice, whose duty it is to guard against ambiguity of terms in this contract, has allowed provisions to be inserted which, to say the least, puzzle the lawyers to define them. I refer to the clause relating to the standard of construction, and another relating to the profit to which the Syndicate is entitled before Government can interfere with their rates of freight. If allowed to pass without amendment there is no doubt, Sir, there is millions in it for the Syndicate. Then, Sir, last but not least, the Minister of Railways and Canals is to proceed with the building of railways for the next ten years, at a cost to the people of this country of \$28,000,000, including portions now under contract, and is to hand over, when completed, to the Syndicate, to be their property forever, 706 miles of road, costing, as I have said, \$28,000,000, without including the three or four millions and over spent on surveys and the interest on this large sum, amounting to millions. In addition to this, Sir, the department over which the hon. gentleman presides, is to be kept in full blast for ten years, at a cost of \$40,000 per year, making a sum of \$400,000, a department which might be dispensed with. But, Sir, we are told that this is to be an Imperial work. I ask is it not (viewed in this light) very significant that the fourteenth member of the Cabinet our High Commissioner in England, has been unable from his standpoint to assist in any way to swell the amount to be paid to the Syndicate. Has his mission failed? If so, Sir, his usefulness has gone. Had he not better be recalled and save to the people of this country the very large sum it costs to keep him at his post? Now, Mr. Speaker, I think I have shown that this contract differs materially from ordinary contracts. I am unable to point out what it will cost the people of this Dominion. Time alone will tell that. The new offer now on the Table has many objectionable features, many which I cannot subscribe to, but is not deserving of the treatment accorded it by the Government. There is one thing quite plain, Sir, that a large number of the taxpayers of this Dominion have no direct interest in the North-

West, and while, Sir, they, as citizens of this Dominion are willing to consent to anything that is reasonable, they cannot silently consent to the imposition of burdens which are entirely uncalled for. I say, Sir, in keeping faith with British Columbia and in the development of the North-West, they too have claims that ought to be considered. The Government have no right to treat in the contemptible manner they have a proposition now before the House for the building of this road infinitely better than the contract which we are asked to assent to, an offer, Sir, that would save the people of this Dominion many millions of dollars, that would insure, if this Government wish it, the building of an all rail line on British territory; and yet, Sir, this offer is to be treated almost with silent contempt. The gentlemen who make it are told it is a put up job. Well, Sir, in one sense, it is a put up job. \$1,400,000 have been put up, which is more than can be said of the other. I call to mind, Sir, another period in the history of this Dominion, a time of which I and those I represent have vivid and painful recollection. The Government of that day, as the Government of to-day, were dealing with the construction of another great line of railway. Then as now, Sir, offers were submitted for the construction of that road which would have saved the Dominion some \$13,000,000 in cash, enough to construct the Sault Ste. Marie branch and also the 900 miles of road through the prairie country; would have given a good commercial line by the nearest route to a Canadian winter port; would have kept faith with a Province induced to enter the Confederacy with the understanding that a line by that route would be secured to her. But, Sir, then as now, the Government refused to consider these propositions to which I am referring. The result has been, Sir, many million of dollars in interest and in deficits, to say nothing of the cost of construction, have been thrown away. In the construction of the Intercolonial Railway to which I have been alluding, we were told that, in order to secure an Imperial guarantee, and for the purposes of a military line, it was desirable the line should be as far removed from the American frontier as possible. The same thing is repeated with regard to the

roads north of Lake Superior, a road 650 miles long, through a barren, sterile, rocky country, uninhabited and uninhabitable for aught we know. We are told, Sir, that it is absolutely necessary to build this road in order to perpetuate British institutions on this continent. Well, Sir, I, and those whom I have the honor to represent, yield to none in point of loyalty, and in a desire to see British institutions protected. But, Sir, that idea is exploded. Having once been deceived by it, we are not again to be caught if we can help it. We hope for a longer lease of power for these institutions than this contract assures us. Why, Sir, let us examine it; what does it provide? An Imperial highway? A road for trans-continental traffic? Nothing of the kind. It provides for a road of wooden bridges; a road of steep grades and sharp curves; a cheap road; a degraded road. And no security in the contract that even this is to be run for more than ten years after completion. And no power by which the Government can acquire it if it is found it is not managed in the interests of the people who are taxed to pay for it. Does this assure the perpetuation of British institutions on the continent? In my opinion permanency of British institutions will be better assured by practising a system of economy which will reduce the taxation to which people are subjected. Nothing can be gained by a vain attempt to build up new Provinces in the west, by depleting older Provinces in the east. You may impose taxes but you cannot compel people to remain in the country. The alarming exodus which has already taken place in the older Provinces will go on increasing, if the burdens of the people are so increased yearly by expending millions in unproductive public works. The hon. Minister of Finance, (and I regret that he is not in his seat), last night took occasion to refer to a meeting held in my county during the holidays. He said, Sir, that I too was trying to arouse public opinion. He was mistaken, Sir, public opinion in his native county, (as he had a right to claim), was aroused. The secrecy with which the bargain had been made, the attempt to conceal its objectionable features after it was made, and the attempt to force it upon the people without giving time to consider it was of itself sufficient to disturb the minds of

the people. It was my good fortune, Sir, to secure an invitation to attend a meeting of the electors of my county, for the purpose of considering with them this bargain. I was anxious, Sir, I confess, to elicit their opinions on this question. I hope I shall never think it beneath my dignity to consult their wishes and opinions on all public matters; and I am happy to tell the hon. gentleman, although the meeting was made up of his former friends and admirers, we were in perfect accord on the question. Well, Sir, the hon. gentleman says, I told the electors that the railway would impose upon New Brunswick a debt of five millions of dollars. Did the hon. gentleman deny it? No! Then, Sir, I think I shall not now take up the time of the House by establishing that fact. But he says I did not tell them that we had still 125,000,000 acres of land in the North-West and that would pay off all our debt. I did not, nor do I now, believe it. In discussing this question I was dealing with facts and not upon my imagination. I hope, Sir, when I do assume the role of the prophet I shall make a better record in that line than the hon. gentleman has. Mr. Speaker, I have sat here night after night, listening to speeches from representative men from different Provinces discussing this question. I had hoped, Sir, when the Minister of Finance had spoken he would at least have pointed out some of the merits of this contract. But, Sir, in my humble opinion he has failed. It is true, Sir, he has told us faith must be kept with British Columbia. But, Sir, did he point out to us how faith was violated with his own Province, when British Columbia entered the Union. Did he point out to us how faith was violated in reducing New Brunswick representatives in the Cabinet from two members to one. Did he point out to us how faith was violated with the Maritime Provinces in forcing a protective tariff upon them contrary to his own promises when they entered Confederation. And again, Sir, coming down to a later period, although not a believer in the hon. gentleman's National Policy, I would like to have some explanation why faith has not been kept with the manufacturers. Only two years ago we were told that the demand for iron consequent upon the construction of this great public highway

would be so great as to make a market for from two to three hundred thousand tons of that article. That iron and coal abounded in the Maritime Provinces, and that such an impetus would be given to this industry during the construction of the Canadian Pacific Railway, that it would be so firmly established, it would be able to hold its own again all comers in the future. And now, Sir, we find that that industry has been robbed of the promised protection, while the protectionist tariff still remains to its disadvantage. No, Sir, faith has not been kept with the Maritime Provinces. They were deluded and deceived in entering this Confederacy by gentlemen who had their confidence at the time. A great future was predicted for them, their taxation was not to be increased but rather reduced. They find themselves powerless to prevent the imposition of taxes that are odious and burdensome. They are told, Sir, that they get back dollar for dollar for what they contribute to the revenue. But what does that avail when the money is recklessly squandered: when they find their Province is gradually sinking instead of rising in the scale; when they find, Sir, the debt of this Dominion, for which they and their posterity will be held responsible, is rapidly accumulating. Is it any wonder, Sir, that a feeling of discontent and discouragement pervades that Province? Is it any wonder, Sir, that they are fleeing from it in large numbers? Gentlemen, Sir, who represent them in this Parliament, who have no interest in common with them, can thus afford to treat this matter lightly. But I warn them, Sir, that those who confided their interests to their keeping will, at the proper time, hold them responsible.

MR. WELDON.

January 25th 1881.

Mr. WELDON said: I wish briefly to give my views in favor of the amendment proposed by the hon. member for West Durham (Mr. Blake). The speech we have just heard delivered by the hon. member for Ottawa (Mr. Tassé), was full

of fervid eloquence, of a glowing picture of the future of Canada, and it put me in mind of the speeches we used to hear in the Lower Provinces upon the great question of Confederation. At that time glowing pictures were drawn of the great benefit the Maritime Provinces would derive from Confederation, but the people have learned to place no more dependence upon flights of imagination in political affairs, but to prefer sober argument and sound sense. I listened to the hon. the Finance Minister the other night to see what arguments he would bring forward in favor of this contract, and for once he failed to prophecy what the future would be. I listened to him as a representative of our Province in the Government, and I expected to hear him bring forward some arguments to show why the contract should be adopted instead of the offer, when the latter was subscribed by the name of one honored son of New Brunswick, who has done more to build up that Province than all the Governments we have had, and who put down half a million dollars as a proof of his sincerity. The hon. gentleman who has just sat down has attempted to show the inconsistencies of the members of the Mackenzie Administration in the relation to the Canadian Pacific Railway; and he has taunted the hon. member for Quebec East (Mr. Laurier) that the former leader of his party, the present Chief Justice of Quebec, had signed an annexation manifesto. The hon. gentleman seemed to have forgotten that a political friend and colleague of the present leader of the Government, and who now holds a high position in London, also signed that document, and his name was one of the first. I consider these matters have long since been buried and ought not now to be revived. The hon. gentleman has talked of a united Conservative phalanx, but it has been admitted on the other side that nearly every supporter of the Government had found fault with the contract and had suggested modification in one way or another. Even no later than last evening the hon. member for Pictou (Mr. Doull) admitted that in some way or another he had been satisfied. Last year, as I sat in this House and listened to the speeches in regard to the building of the Canadian Pacific Railway, and about the quantities of land that were to be sold, we

were told by the hon. Premier that emigration would flow into the North-West at the rate of 25,000 first year, and that when the House met here again there would be 25,000 additional inhabitants in the North-West. I ask to-day has that prediction been verified? If when the hon. members, some of them in the present Cabinet, were going over the length and breadth of the Maritime Provinces, depicting the advantages we were to obtain, and asserting that our taxes would not be increased, or the duties raised, but that prosperity would come to our doors, if at that time we had known that within four years after a compact would be made with British Columbia by which the Ministry of that day bound this country to undertake the enormous expense, which if carried out would be utterly ruinous to the country, there would have been howls and execrations throughout the country at such a proposition. If it is claimed that this treaty with British Columbia is one that we are bound to carry out, I ask was not that very treaty a violation of the terms by which we were drawn into the Union? At that time the hon. Finance Minister stated that the Government had been informed by reliable persons that in British Columbia there were no engineering difficulties; experience now tells us what that information was worth. As we are now situated, however, the discussion is narrowed down, first, to the acceptance of one of the two propositions before the House, and secondly, with regard to the nature of the details of those offers. We find that an offer is laid on the Table by the Government. I call it simply an offer, because, although the Government might constitutionally have the right to enter into certain engagements, yet they knew that those engagements had to be ratified by Parliament. Even the contract itself declares that it shall not be binding on the men who signed it until the Parliament of Canada ratifies it. They knew that it required the sanction of this Parliament, not a mere formal sanction, but the sanction of members in the eyes of their constituents, after a full and fair discussion of its terms, unfettered by feelings of partizanship. If, on the other hand, hon. gentlemen, after making this contract, come down and say they are bound and pledged, then, I say, it is

illegal and unconstitutional. They had no right to agree to hand over the money of this country to a company without the authority of the people's representatives. That being the position we occupy, we are left open to accept or reject either of the offers before us. It has been said that this has been a burning question before the country for years. No doubt the general question of the Pacific Railway has been before the country, but until this contract was laid on the Table, was there the slightest hint that such immunities, such privileges, would be granted by the Government to a body of capitalists for the construction of that road? We know that from 21st October to 10th December, this agreement was carefully concealed from the people of this country. But the moment it was made public other capitalists came forward with a better offer. True, they were set down as tricksters; but when they showed solid proof of their sincerity, it was then alleged that their offer was a political trick. It lies on the Table signed by men whose names are known throughout the Dominion as those of men of honor and men of wealth. We have, therefore, to deal with the question as to which of these offers the people should accept. In rejecting the first, we should not be bound to accept the second in its present shape, but it would form a basis for negotiations upon which more favorable terms for the country could be obtained. It is said the Government are bound in honor. If, as I said, the Government have undertaken to bind us, they have done what is unconstitutional. In the Mother Country, Governments have withdrawn measures and still retained the confidence of their followers. But the argument has been put forward here that if we refuse the first offer, our action involves the retirement of the Government. I say it is not so. If the Government receives a better offer, then it is not only their right but their duty to accept it, and in doing so they would receive the support of every member of this House. Compare those two offers that are before the House. It is stated that the second contract is only intended to build the prairie section. Hon. members who take that view entirely forget the terms of the contract according to which the Company is bound to build the eastern and western

sections as well as the prairie sections, unless the Government find it to be in the interest of the Dominion that those sections should not be proceeded with. If this offer should be accepted it will be this Government, therefore, that will have the decision in this respect. But it is said that the acceptance of this offer would entail a change of Government, that it was intended only to enable the Opposition to get into power and then withdraw the eastern section. According to this view it seems that we have to pay the difference of price between these two offers in order to allow the present incumbents of the Treasury Benches to retain the possession of power. Leaving out of the question the immunities and exemptions which are embraced in the Syndicate contract and not in the last offer, we would by accepting the latter save \$3,000,000 and 3,000,000 acres of land. The land has been valued at different rates, but taking a fair average rate we find that the difference in money and land would amount to from ten to twelve million dollars. If that money can be saved it ought to be saved for the country. Look at the annual burden which this additional amount would entail. It represents an interest the sum of a half million dollars annually—a sum sufficient to pay for the administration of justice in the whole Dominion, and greater than the subsidy to New Brunswick or Nova Scotia. The hon. gentleman who preceded me said we viewed with alarm an appeal to the constituencies. Yet we found member after member rising on this side and insisting that the voice of the people should be heard on a question involving so large an expenditure and of such vital interest to Canada as this one. So far as we are concerned we have exhibited no alarm. Hon. gentlemen opposite are anxious to bring in the policy of the Americans as a pattern for us, but whatever grants they may make for their railways, it is certain that they are not increasing their public debt in doing so. Since 1867 our debt has rolled up from \$75,000,000 or \$80,000,000, to \$160,000,000, on which we pay annually \$8,000,000 interest, while the American debt has been reduced within the same period nearly \$800,000,000. I say, that when we say that the United States is a country which by its age and wealth and

population cannot fairly be compared with ours, we cannot justly be accused of disloyalty or a lack of patriotism. We, on this side, cannot speak in this way or refer to the Sault Ste. Marie Branch without being accused of disloyalty by hon. gentlemen opposite. I yield to no man in my loyalty to British institutions, my loyalty to the Dominion, or to my Province, for though I was opposed to Confederation, yet when it was carried I went in prepared to do the best for the new constitution. I am not afraid of the Americans; they have treated us well, and as a citizen of St. John I would be a monster of ingratitude if I were to say a word against men who acted so nobly when our city was desolate and in ruins—not by passing resolutions which they did not carry out, but by giving us substantial proofs of their warm-hearted kindness. As regards these two offers, while I do not unconditionally support the second, I say that the advantages in its favor are so great and so obvious, that, to adopt to the present case a remark of the hon. member for Halton (Mr. McDougall) with regard to the Intercolonial, we are about to throw millions of money into the swamps and muskegs of the North-West. As I said before, I am not in favor of either offer, and I shall not refer at length to the objections to the contract for the reason that they have been dealt upon at such length by other hon. gentlemen. I may say briefly, however, and for the purpose of justifying the vote which I purpose giving, that I object: (1) To the monopoly given to the Company under no real restrictions as to the composition or character of the corporation; (2) to the further monopoly to build branch lines to the exclusion of others; (3) to the right to locate the line where the Company wishes; (4) to materials being exempted from duty; (5) to the right of the Company to select lands; (6) to the grant of land for stations free from taxation; (7) to the extinguishment of Indian title by the Government; (8) to the exemption from taxation; (9) to the Government building the line from Yale to Kamloops; and (10) to there being no right of pre-emption by Government. With regard to the selection of the lands by the Syndicate it is very clear that it will be to their interest to select the best lands in the North-West, and I might illustrate the effect of land

grants to corporations by a case which took place in my own Province not long ago. The New Brunswick Railway Company were granted \$10,000 per mile, and they were to choose the lands which were given them from four counties in that Province. The result of their selection was, that they possessed themselves of the best timber lands in those four counties, so that our lumbermen have now either to pay a double price for their timber lands or else to go to the State of Maine or the Province of Quebec to carry on their operations. I am willing to take the maxim laid down by the member for Ottawa (Mr. Tassé), "experience teaches," and I say that the illustration I have employed will give us a very good idea of what will take place in the North-West Territories. Several hon. members—notably the member for Frontenac (Mr. Kirkpatrick), and the member for King's, N.B. (Mr. Domville)—advanced as an argument in favor of accepting the contract, that it settled definitely what we are going to pay for the railway. The very fact that it is not final upon that point, is one of the most serious objections I entertain against the contract. We find that some completed portions are to be handed over to the Syndicate, and that the Government undertake to finish portions of the road which are now under contract. What does experience teach us with regard to that? When the Intercolonial railway was projected, and when it cost much more to build railways than it does now, it was asserted that £5,000,000 would build the road and that \$25,000,000 would be more than sufficient. But to-day that road has cost this country nearly \$40,000,000, while there are claims against the Government in connection with it for unknown sums which have not yet been settled. We are justified in saying that the cost of building this Pacific Railway, is just as uncertain now as it was the day that British Columbia was admitted into Confederation. So far as the eastern section is concerned, I would like to see its construction postponed, because the resources of the country are not now in a position to build it. We must avoid all burden that will increase our taxation. We have a powerful Republic alongside of us offering great inducements to our people to emigrate

thither. In the city of St. John the International steamers that run to Boston carry away, every day, men and women who are leaving our country for the States.

Mr. DOMVILLE: No, no.

Mr. WELDON: Some will come back, but for ten that go not more than one will come back. I appeal to every member from the Maritime Provinces whether there is not great emigration to the United States. No inducement is held out to those people to go to Manitoba or the North-West. The Government spend large sums in bringing over European emigrants, but every man and woman that leave our country for the United States are worth ten emigrants that come out from the old country. There was one remark made by the hon. member for Ottawa, in answer to an interruption by the hon. member for Gloucester (Mr. Anglin), in regard to a contested election case. I presume the hon. member for Gloucester meant that that case was heard last September and that the judgment has not yet been given. It cannot be that the Bench of Quebec is over-worked, because the vacancies of that Province are not filled—there are vacancies in Ontario that are not filled. It may be that the Government are holding these places open until this vote is taken, and that the seats are held up as a reward. But in New Brunswick, scarcely has the grave closed over a member of the Bench and a former member of this House, than the vacancy is filled up. I object to this contract on the ground that it proposes to establish a huge monopoly in the North-West, while in the United States, public opinion everywhere is setting strongly upon monopolies of all kinds. I ask hon. members to pause before voting away our money and land as they are about to do. When this contract was first laid upon the Table the Ministerial press of the country kept silent until the cue had been given by the Premier. Some of the papers in more distant parts of the country, however, expressed their opinion before getting word from Ottawa. I will conclude by reading a short article from a paper published in the County of Charlotte, and one of the most violent supporters of the Government in the Lower Provinces, and this is what he said, just

after the new proposal had been presented :

"If the offer is a *bona fide* one, and the Company is financially able to carry out its engagements, it behooves the Government to give heed to the proposition. We have no doubt the Government will be equal to the emergency, and even although this new Syndicate may have been conceived in Grit sin and brought forth in Grit iniquity, if it shall result in a modification of the contract, the country will have no reason to complain."

MR. ANGLIN.

January 14th, 1881.

Mr. ANGLIN said: After the extraordinary speech to which we have just listened, it is necessary to call the attention of the House to the fact that the question before us is simply this: that a proposition has been placed in the hands of the Government of this country, signed by a large number of the most respectable, influential and wealthy men of this Dominion, in which they propose to construct this railway from Lake Nipissing, or Callendar Station, to Linkoping and from Selkirk to the Pacific—if that be the desire of Parliament and the country—on terms incomparatively better for the country than the terms which we are now asked to accept. The hon. Minister of Railways wished to divert the attention of members from the consideration of this most important question. He did not attempt an answer to the plain statement made by the hon. member for West Durham. He did not attempt to make the slightest reply to the able and intelligent speech of the hon. member for Halton (Mr. Macdougall), who, while he acknowledges that he is bound by party ties to hon. gentlemen opposite, that he has been sent here to sustain them in carrying out what is called the National Policy, and that he is in sympathy with them on general matters of policy, yet, Sir, manfully, frankly, and to his infinite credit, declares that he is not prepared, until due time has been given for the consideration of the new offer, to say that the terms we are now

asked to approve of should be approved of. To that speech, Sir, so creditable to that hon. gentleman, so moderate in its tone, and so frank, the only reply vouchsafed was the insulting insinuation hurled at the member for Halton. We do not ask delay for the sake of delay. We believe that the circumstances have been so altered by the submission of this proposal, that it is the duty of every hon. member of this House to demand from the Government that time should be given for consideration. If, as the hon. member for Halton remarked, this is a mere political dodge and not a *bona fide* proposition, if the men who are said to have signed it, have not signed it, or if, having signed it, they do not intend to fulfil the obligations they have there incurred, all that will soon be known. Let the Government put them to the test; let them demand that this million of money shall be put up, not in mere securities, but in hard cash, and so test their offer. I am not prepared to say that we should accept this offer, but I am prepared to say that this whole country should have time for the consideration of this great question; and this is the only question that now comes before the House. The hon. Minister of Railways has afforded us an opportunity of determining for ourselves the kind of reply he would make. The other day I had the pleasure of spending a day in Montreal with some friends, Conservatives and others, and from them I heard that the speech of the hon. Minister of Railways in Montreal was not an answer to the speech Mr. Blake delivered two days before, but that he proceeded to attack Mr. Blake and to pour torrents of vituperation upon him, until the great majority of the meeting, who were determined to see fair play, compelled him to abandon that line of argument and to make some effort to deal with the very important question for the consideration of which they had been invited to attend that meeting.

Mr. WHITE (Cardwell): Will the hon. gentleman mention the name of one Conservative who made that statement to him?

Mr. ANGLIN: Mr. Speaker, I stand before this House, known to it for thirteen years, and I make that statement on my personal honor and veracity, and

not having the liberty to use the name of the gentleman with whom I happened to meet, I am not prepared to violate all the courtesies of private life. The hon. gentleman believes me himself; he knows he believes me; he knows everybody in this House believes me: and everyone who reads the report in one or two of the Montreal papers will see that they sustain that statement. It was out of place to discuss a large number of the topics discussed by the hon. Minister of Railways, unless we are to give him the credit of merely striving to occupy the time of the House. While claiming to deal with the question before the House, he chose to launch out into a general discussion, and I therefore feel it my duty to notice cursorily, at any rate, a few of the remarks he made. He began by telling us that the course of this debate reminded him of a story of a controversy between two ministers whose audience was a deaf and dumb man. Did he mean to convey the impression that his audience in this case are deaf and dumb, and that they are willing to do the bidding of the Ministry? This deaf and dumb man was able to observe the result of the controversy by seeing which lost his temper first. We are willing to accept that evidence in this case. While the hon. gentleman made an exhibition of temper that perhaps was not real, we certainly have not lost temper. We feel that we are discharging a great public duty in discussing this question fully. The hon. gentleman says we have not now the opportunity of making a midnight attack on the public opinion of this country. Who has made the midnight attack on the public opinion of this country. Who has endeavored to steal away the public opinion of this country like a thief in the night? Who has endeavored to create a false impression as to the terms of this contract? Surely not we on this side of the House; for we ourselves had only the slightest idea of what the terms of this contract were before it was laid before the House. Some of us were no doubt suspicious, for we had experience of "the ways that are dark and the tricks that are vain" of gentleman on the other side of the House. The gentlemen opposite say that the country know all of the contract and that public opinion

is now thoroughly informed. Although the hon. gentlemen opposite have done all in their power to misinform the people, yet they now declare the people know all about the question and are now fully prepared to pronounce upon it, and that Parliament should now be fully prepared to deal with it. The people of the country are not even now fully informed of all the monstrous features of the contract. To this day there is scarcely an hon. gentleman who rises on this side of the House to discuss the contract who does not discover in it some new and grave objection. Hon. gentlemen opposite laugh, but they perhaps think we are more astute than we really are. We have endeavored to analyse it and criticise it. But, notwithstanding all that, I assure the hon. Minister of Railways, and all the hon. gentlemen opposite, that even at this moment I am not satisfied that we know thoroughly how objectionable this charter is. We have not succeeded yet in finding a single redeeming feature or a single clause which we can say should commend itself to the public or the majority of hon. members. The very fact that, within a few days, so important a body as the Montreal Corn Exchange has expressed an opinion upon the subject, is in itself evidence that the people at large are not thoroughly acquainted with all its bearings. I, myself, am receiving every day letters from persons to whom I have sent copies of the contract, sometimes with my own comments on it, and I find that some of the most intelligent persons in our Province are not properly acquainted with the character of the scheme. So it is not right to say, it is not in accordance with the facts, that the public are thoroughly informed and have had a fair opportunity to pronounce an opinion on this question; and let me add that it is still less in accordance with the facts to say that, in so far as public opinion has been pronounced, it has not been so hostile to the measure as we on this side of the House had reason to expect. Hon. gentlemen opposite talk a great deal about our public meetings. They pretend to say that there is something very wrong because they were not allowed to reply at all our meetings. Take for instance, the meeting at Montreal. There the hon. member for West Durham (Mr. Blake) addressed a crowded audience and held their attention spell-

ed. Although site have done form the people, people know all now fully prepared it, and that fully prepared of the country formed of all the contract. To an hon. gentleman of the House does not disprove objection. He laugh, but are more astute have endeavored it. But, not assure the hon. d all the hon. even at this that we know ble this charter d yet in finding re or a single should commend majority of hon. that, within a body as the has expressed et, is in itself t large are not all its bearings. Every day letters have sent copies with my own d that some of persons in our acquainted with e. So it is not accordance with are thoroughly air opportunity n this question; till less in acsay that, in so en pronounced, to the measure House had reaemen opposite r public meetthat there is ause they were our meetings. eting at Monmber for West ssed a crowded attention spell-

bound until after one o'clock in the morning in merely describing the outlines of this charter, and the effects it must produce if it were ratified. What time would there have been after that for the hon. Minister of Railways to have addressed the same audience, for we know he is always able to occupy five or six hours if necessary, and we have seen this afternoon even, how the hon. gentleman can occupy a couple of hours without embarrassment, if he were at Montreal, to have followed the hon. member for West Durham, and made a speech. That hon. gentleman must have replied, and they might thus have continued the game. But I think hon. gentlemen must be satisfied that it would be a matter of impossibility for audiences to remain during all the time that would be thus occupied. Those present at the first meeting in Montreal complained very much indeed of what they suffered from being crowded together for so many hours. Not a soul who was in thought of getting out, all were willing to remain and hear the explanations of the hon. member for West Durham; but human nature can only endure a certain amount of pleasure and pain, and on that occasion the pleasure and pain were combined, because the heat was very great and a large number of people were suffering from being crowded together, and it would therefore have been absurd to expect those people to remain to hear the Minister of Railways. That hon. gentleman called another meeting which was not so largely attended; a great number of persons went to hear him, and a great many went, hoping to hear a satisfactory reply to the statements of the hon. member for West Durham; but even some of the Minister's warmest friends came away disappointed, and we need not wonder, if, on that occasion, the hon. gentleman made such a reply as he did this afternoon in reply to the hon. members for West Durham and Halton.

It being Six o'clock, the Speaker left the Chair.

AFTER RECESS.

Mr. ANGLIN: I will not attempt, Mr. Speaker, to follow the hon. the Minister of Railways through the devious course he chose to take this afternoon,

nor comment at any very great length upon the statements he chose to make and the charges he chose to prefer against some hon. gentlemen on this side of the House, because I do not wish to assist him in distracting the attention of hon. gentlemen on the other side of the House, or diverting their minds from the consideration of the very serious question upon which we will all have to pronounce by-and-bye. But so extraordinary a speech as that cannot very well be allowed to pass entirely unnoticed. The hon. the Minister of Railways asserted, in the first place, that the public are sufficiently informed on the subject at issue, and yet in the next breath he asserted that we who alone have attempted to convey any information on the subject to the public have deliberately misled them with regard to the terms of the contract; that whatever public indignation—and the hon. the Minister of Railways has alone spoken of indignation—has been manifested through the country; wherever the people have expressed disapproval of the terms of this contract, they have been moved to such indignation and led to express such disapproval because we have misstated the terms of the contract. Those two declarations of the hon. Minister are directly contradictory. If the people were well informed, as he has alleged, we could not have misled them; if we have misled them to the extent alleged, then further time is required by them to obtain information, and it is the duty of hon. gentlemen opposite to place themselves in communication with the public, not merely by speeches delivered in this House, but by appearing before their constituents face to face, with this contract in their hands, and so counteract the mischief we have done. Such a charge as that of deliberately misstating the terms of the contract and deliberately seeking to mislead the public on this subject, would be a very serious charge, indeed, if made by any other hon. gentleman, or even when made by the hon. the Minister of Railways, were it sustained by the slightest shadow of evidence or proof. The hon. the Minister of Railways has asserted that we have misrepresented especially that portion of the charter which relates to the selection of lands in the North-West. In his speech this afternoon he asserted that the Syndicate or Company will have no

right to select lands anywhere, except in the North-West Territory, beyond the 57° of north latitude. He afterwards admitted that they will have a right of selection, but only where they build branch railroads which will be of rare benefit to the country, and as the Government will there also be entitled to the alternate square mile blocks, the Company would have no such right of selection as was asserted. He went on to argue that the late Government, under the Mills' Bill, provided that branch lines might be built in that country and subsidized out of those very lands; and he asserted that under the provisions of this bargain, the interests of the country were much better protected than they were under the Mills' Bill. We are not obliged to discuss the merits or demerits of the Mills' Bill, and it would be a waste of time to pay any particular attention to that part of the hon. gentleman's statement; but I wish to point out, because I have seen it asserted elsewhere with the object of misleading the public, that on this point we are in error, that the contract gives to the Syndicate the right to select all the lands not within the 24 miles, to select where they please, to lay outlines of railway where they please, and obtain possession at once of alternate lots of the 24 miles on each side of the lines so laid out without having built a single mile of any one of the branches. It is not provided in any portion of the charter that before obtaining possession of those additional lands they shall be required to build the branch railways. They are merely required to lay out a line where they please, to file a plan in the office of the department here, and thereupon they acquire the right to take possession of the alternate blocks of 24 miles on each side of the line so laid out. I do not believe the Minister of Railways would attempt before an intelligent audience to repeat the allegation he has made in this House, provided that some one was on the platform beside him having in his hand a copy of the charter and able to understand and interpret it intelligently. But the hon. gentleman says the right of selection is only beyond the 57° of north latitude. There is a provision that if the Company are not satisfied with the character of the lands along the line of railways, if in any of these there is a mate-

rial portion unfit for settlement, they may go into the North-West Territory and select other lands there with the approval in that case, and in that case only, of the Governor-in-Council. That in my reading of that section, and I believe it is the common sense reading, and that no great acumen is needed to understand it. We have not misled the public with respect to that or any section, or any other of the terms of this extraordinary contract. What we have said in the House we have repeated in the country. What we have said face to face with the hon. gentleman and his colleagues in this House we have repeated to the people in different parts of the country, and so far as we have been able to reach the people, we have convinced the people, and a strong feeling of disapproval of the contract has been manifested. The hon. gentleman says we did not arouse much enthusiasm. Under the strange circumstances in which we now find ourselves we do not ourselves possess much enthusiasm. We are rather sad and dispirited at the contemplation of this act of the Government and the strong probability of the contract being sustained by a majority in this House. We sought to enlighten the public mind; we sought to convey to the public an accurate idea of what the terms of charter are, and we are satisfied that when the people understand them they will, in all cases where partizan feeling does not interfere, express their disapproval of the scheme. And they have done so. Large meetings in Toronto, Hamilton, London and Montreal, Halifax and Quebec have done so. The Legislature of Manitoba has expressed its disapproval. The corporation of Toronto and the Montreal Corn Exchange have adopted the same course. On the other side what do we find? The Minister of Railways appeared before a sympathetic audience in London, and afterwards delivered addresses in Toronto and Montreal. I do not know what the attendance was at Toronto, but I believe the London meeting was as large as that addressed by Mr. Blake; but it was not so in Montreal. With the exception of those meetings and one we have heard of in North Renfrew, we have hardly heard of an instance in which hon. gentlemen opposite have obtained a declaration of public opinion in favor of the contract. They have complained very much of not

at, they may
territory and
the approval
only, of the
n my read-
ieve it is the
at no great
and it. We
with respect
other of the
y contract.
use we have
at we have
a gentleman
use we have
fferent parts
as we have
le, we have
strong feeling
et has been
leman says
enthusiasm.
ces in which
ot ourselves
e are rather
emplation of
nd the strong
ng sustained
ouse. We
e mind; we
an accurate
ter are, and
e people un-
cases where
efe, express
me. And
meetings in
and Mont-
e done so.
as expressed
poration of
n Exchange
t. On the
The Minister
e a sym-
t afterwards
and Mont-
attendance
the London
addressed by
so in Mont-
n of those
heard of in
ly heard of
tlemen op-
claration of
the contract.
uch of not

being allowed to address meetings held by the hon. gentlemen on this side of the House through the country. But it was open to them to call meetings themselves. If they had confidence that the public would approve of the measure, a party commanding so large a majority in this House should have courted an expression of public approval. They should themselves have gone before the people. They should have been the first to submit the contract to the people, and ask the people for their opinion thereon. They should have said: "Here is the bargain, the best ever made, and the best that is possible under the circumstances. Its terms are most advantageous. Accept it, for it is to your interest. We take our stand upon it, and tell you it is a good bargain; that if the road is to be built (and all parties are pledged to build it) this is the best possible mode of doing it. We have done all we could and have not sacrificed your interests, or made the bargain in a corner, but openly and in the light of day. So soon as the negotiations were completed we laid them before the public; we maintained the dignity of Parliament by consulting the dignity and self-respect of the people by laying before them all the facts, and asking them to express their approval in any way they pleased." I think they should have taken some such course as that. Instead of doing so, they carp at the action of hon. gentlemen on this side of the House, and assert that they endeavored to excite public indignation in regard to the contract, and that their efforts have resulted in lamentable failure. We do not so regard it. We, on the contrary, are quite pleased with the results of our efforts so far. We think we have to-day the moral sympathy of the great majority of the people. A dissolution has been talked of. I do not know that any of us have insisted on a dissolution, but if hon. gentlemen opposite will go to the people, we will gladly accord our support to any motion to that effect. We will gladly meet them before the people of the country, and there, in what even they must admit is a constitutional mode, and without any insult to the dignity of Parliament, we will ascertain the wishes of the people. If they choose to relegate us to obscurity, or decide that we shall remain on this side of the House, we shall

bow respectfully to that decision, and of course cease our opposition to this extraordinary measure. Although we know the people have sometimes been mistaken, we have never lost our confidence in their integrity, honesty and intelligence. We have never shown any fear or apprehension with regard to them. We are of the people and with the people, and by-and-bye, I trust, nay, I am sure, when we appear before them at the polls, we shall find the people with us. For eight long years, the hon. gentleman says, this question has been before the people; that there is nothing novel in it—nothing extraordinary—nothing of which the people have not already expressed their entire approval. The people have never yet been asked to express their approval or disapproval of the Pacific Railway scheme in a direct way. One Parliament about to expire was asked by the hon. gentleman opposite to enter into that most onerous bargain with British Columbia, and a large majority assisted them in imposing its terms on Canada. The elections occurred soon after, but there was then no time, chance or opportunity of getting rid of those terms.

Sir CHARLES TUPPER: Does the hon. gentleman deny that his present leader stated in this House that the contract question had been referred to the people and fully considered, and that the people had decided in favor of it, and that we had received no mandate to reverse it—that it was not reversible by us?

Mr. ANGLIN: I do not remember that he uttered such words.

Sir CHARLES TUPPER: I can show he did from his speech.

Mr. ANGLIN: It does not matter whether he did or not for the purpose of this argument, and for this good and sufficient reason—that before we had any chance of addressing the people on this subject we were bound, fettered and manacled by the bargain, which had become part of the constitution of the country, had been embodied in a royal proclamation, and become as binding upon us as the British North America Act, under which we meet and make laws here. We could not set aside those terms if we would, and we would not, because we had too high a regard for the faith and honor

of Canada. Although we resisted by every means in our power the imposition of those terms, and strove for their modification ineffectually, we recognized, in the majority of both Houses of Parliament, the right to bind the country to even a disadvantageous bargain, and felt it our duty to give effect, so far as the circumstances of the country would permit, to an undertaking of which we still disapproved. When the member for Lambton went before the country, he had a railway policy, it is true, but the people did not, so far as I recollect, pass any decided opinion on the policy of constructing a railway across the continent, which we were bound to do. He did very fully admit and recognize the liability that existed, stating very expressly the mode in which he proposed to fulfil the obligations of the country. That, I admit, did meet with the approval of the people. But the question as to whether the railway should or should not be built within a very short time, was never submitted to the people, for the very good reason that hon. gentlemen opposite had put it out of the power of any party to reopen that question. This question has not been before the country for eight years or eight weeks even. True, the idea of building a Canadian Pacific Railway has been before it for eight years and various projects have been mooted; but this is entirely, essentially different from any project ever before submitted. It is of such a strange, remarkable character, that until the papers were laid on the Table, not even leading members of the House could form anything like an accurate idea of the scope, purport, and meaning of this contract. When the member for Lambton complained of this lately, the leader of the Government asserted that he and other members knew well why we were to assemble here in Parliament, and asserted or insinuated besides, that the member for Lambton and many on the same side knew pretty well what the terms of this bargain were. The member for Lambton denied that on his own part, and we all denied it on our part. Not one of us could form anything like an accurate opinion of its terms. If there is a pessimist among us I do not think he could imagine the terms were so bad as they now appear. We were startled when we found among other things that

the Government had undertaken to commence and complete the 90 miles from Yule to Port Moody. We never had the faintest suspicion that the Government had undertaken an obligation of that kind, which is an entirely new proposal. Now, the hon. Minister of Railways quotes the Speech from the Throne to show that the statement of the hon. member for Lambton is an incorrect statement. Well, the Governor-General's speech promised us, among other things, that the contract and the papers relating to it would be laid before Parliament. Where are those papers? Not a single paper has been laid on the Table of the House, respecting the contract, save the contract itself and the appendix, which is merely the Act of incorporation. We asked for those papers; we asked for all the information on the matter to which Parliament is entitled, and we were told that we were asking something unreasonable, something unprecedented, and, had the hon. Minister of Railways been speaking, he would have added unpatriotic. No British Ministry would dare to submit a question of this kind to the Imperial Parliament without bringing down every scrap of paper relating to it that could be found anywhere, without furnishing all information possible on the subject. We saw with regard to the Washington Treaty how complete was the information we received. We were furnished, not merely with the Treaty itself, but with the protocols. This was done because it was known that the information must be laid before the Imperial Parliament. We saw what took place from day to day, and now when we contrast what is done in this Parliament with what is done in that, we are forced to the conclusion, that if only the Canadian Parliament had been consulted on that question we would have received only the Treaty, and would never have learned that free trade in lumber and coal had been offered us and rejected by the leader of this Government. I did not blame the hon. gentleman then, nor do I blame him now, for that refusal, but I state simply that I believe that information would have been suppressed. We have not to-day the information we ought to have. We are told that this is the best bargain that it was possible to make; but, Sir, we have a right to see and judge for our-

ten to com-
miles from
or had the
government
n of that
w proposal.
Railways
Throne to
the hon.
incorrect
r-General's
her things,
ers relating
Parliament.
ot a single
the Table
e contract,
e appendix,
orporation.
e asked for
matter to
d, and we
y something
precedented,
f Railways
have added
istry would
this kind to
ut bringing
elating to it
re, without
sible on the
ard to the
mplete was
We were
the Treaty
This was
at the infor-
the Imperfal
took place
men we con-
Parliament
are forced
ne Canadian
ed on that
red only the
learned that
al had been
ne leader of
blame the
blame him
simply that
ould have
not, to-day
have. We
hargain that
ut, Sir, we
ge for our-

selves; the people have a right to see and judge for themselves, in a matter of this kind. The Ministry is adopting a wrong course, which, relying on—I shall not say a subservient—but a very faithful body of followers, refuses to give to this Parliament and the people the information to which they are entitled, and insists on forcing upon this country terms and conditions of which the people disapprove on the plea that they are the best that can be obtained. Turning from that point, the hon. Minister made a most extraordinary attack on the hon. member for Westmoreland. The hon. Minister of Railways must always attack somebody or his speeches would be rather spiritless. If he excels in anything, it is in the power of invective and attack, and he made a most wanton attack this afternoon on the hon member for Westmoreland. That hon. gentleman is quite able to defend himself, and I shall not undertake to defend him; but let me hear testimony to the fact which has come within my own knowledge and observation, and I call upon the hon. Finance Minister to bear testimony to this fact also, that the charge against the hon. member for Westmoreland, that he was ever influenced by a desire to obtain office, is untrue—I was about to say a false and scandalous accusation. I knew that hon. gentleman when he sat with me in the Local Legislature, and was a colleague of the hon. Finance Minister. I knew him years afterwards, when he and I were colleagues, and I knew him to be always entirely beyond the reach of any suspicion of hankering after office. He never cared to hold office, and when on one occasion he was induced to accept office, he resigned within a short time, because he disapproved of the policy of the Government. Afterwards, when he became a member of the Government, in which I was his colleague, we had the greatest possible difficulty in forcing office upon his acceptance. There is no man in the Province of New Brunswick, and I hold there must be very few in the Province of Nova Scotia, who would believe that there is the slightest foundation for so monstrous and atrocious a charge as that made against the hon. member for Westmoreland. I leave the hon. member to answer, as far as he thinks necessary, the long attack made upon him.

Let me say a few words with regard to the Act of 1874, which the hon. Minister of Railways asserts authorized him and his colleagues to go to London to open negotiations for the making of a contract, and finally to make such a contract as that laid on the Table. 20,000,000 acres land per mile, or 50,000,000 in all, and \$10,000,000 per mile, or about \$27,000,000 cash in all, besides the interest on such other sum as may be agreed, that interest to run for 20 years, are the terms of the Act. Will hon. gentlemen assume that, acre for acre, the 50,000,000 acres of land are as valuable as the 25,000,000 the Syndicate are to get? Any one who knows the character of the country, and who has read the Act of 1874, which reads: "Lands along the line of railway of fair average character," will see at once that the 50,000,000 acres so lying are actually of less value than the 25,000,000, of which 11,000,000 are close to the railway and 14,000,000 are to be selected wherever the contractors choose to go into the fertile belt and select it. Taking the land of a fair average quality, along the whole line of railway from the boundary of Ontario to the Pacific Ocean, through the Rocky Mountains and everywhere, the 50,000,000 acres could not be worth as much as the 25,000,000 acres which the Syndicate would get under the terms of this contract, 11,000,000 of which are to lie in the fertile belts close to the line of railway, and 14,000,000 to be selected where the Syndicate chooses. Will any reasonable man say that lands lying close to the railway are not worth more than lands twenty or twenty-five miles off? The Act of 1874 says lands of "fair average quality," not "fairly fit for settlement." Now, "fair average quality," in the common-sense interpretation of the term, must be held to mean a fair average of the lands of the country through which the road runs. It cannot possibly be held to mean what land the Syndicate pleases to select. But in that respect the contract does not agree with the terms of the Act, and the Act does not authorize the Government to enter into any such arrangements. Under the Act of 1874, the contractors became possessed of these 50,000,000 of acres of land—they did not become absolute owners of it. They were not exempted from local taxation. It was provided

that the Government should dispose of two-thirds of the land and hand the proceeds over to the company, while only one-third of the lands was at the disposal of the company; the obvious reason for that arrangement being the desire to prevent a land monopoly in the North-West. When the Allan contract was under consideration, one of the strongest objections to it urged by this side of the House was that it tended to the creation of a land monopoly, and when the hon. member for Lambton introduced his Bill he took good care that such a monopoly should be avoided by means of the provision to which I have referred. The Act of 1874 and the present contract differ in respect to another salient point. In the Act of 1874 it was distinctly provided that from any sum to be paid to the contractors, under the terms of any contract, was to be deducted the whole cost of the surveys and of any portion of the railway constructed as a Government work. Under this contract we give the Syndicate the land, and we give them the absolute ownership of a portion of the road, the building of which will cost the country, at the lowest estimate, \$28,000,000. The hon. Minister of Railways has asserted deliberately to-day, as he rashly asserted on a previous occasion, that the making of this contract was authorized and justified by the Act of 1874. I shall not allude further to that Act, but I thought it proper to point out those two or three very remarkable points which show that if the present contract has any connection with the Act of 1874 it is a violation of that Act. If the contract had been drawn up within the limits provided by that Act it would only have been necessary to lay it on the Table, and within 30 days it would have become *ipso facto* the law of the country. I do not think it is necessary to follow the hon. gentleman very closely in what he said in regard to the fact, that when the late Government came into office and found a deficit staring them in the face, notwithstanding the surpluses which had been rolling up for a number of years, they found it necessary to impose fresh taxation upon the people, which taxation, if the volume of business had remained as large as in previous years, would have yielded a revenue of \$3,000,000. The decrease in the business of the country,

though so often and emphatically attributed by the hon. gentlemen to the misgovernment and mismanagement of the late Administration, was regarded by every reasonable man as being due simply to the general depression of business, in which we unavoidably participated. Though we do technically speak of the imposition of so much taxation as being so much of an additional burden cast upon the people, we all know that increase in the rate of taxation does not always produce a corresponding increase of revenue. When the alteration of the Tariff did not yield the estimated increase of revenue, the only resource left to the Government of the day, opposed as they were to increasing the burdens of the people, was to endeavor by strict economy to diminish the expenditure. The Minister of Railways has over and over again asserted that we were extravagant, that the controllable expenditure increased to a point far beyond what it should have reached had the Government been economically administered. He has again and again asserted that the deficits of those years amounted to \$7,000,000, and though the statement has been repeatedly disproved in the House and out of it, as well as by the press, he could reiterate it again and doubtless he will continue to do so. He seems quite incapable of being persuaded that his statements may be erroneous, no matter how unquestionable the proofs. The hon. gentleman referred to his economy in his own department in the matter of advertising. There is no doubt that economy may be prudently exercised in this matter, and that a great deal has been paid by various Governments in this country for advertising which might have been saved. But there may be such a thing as a false economy; and the offer for the construction of the Canada Pacific Railway, which I understand was placed in the hands of the Government to-day, *bona fide* as I believe it to be, shows that because of his exercising a false economy in neglecting to advertise for offers the country runs the risk of losing \$15,000,000. We will have to discuss all these subjects again. We have discussed most of them very frequently, but it is a strange thing to find the hon. gentleman now stating, with regard to land in the North-West, that actual experience has shown that the net products

ly attribut-
to the mis-
ent of the
garded by
due simply
business, in
articipated.
eak of the
a as being
n cast upon
increase in
not always
increase of
ion of the
ct increase
left to the
ad as they
ens of the
ct economy
The Minis-
over again
nt, that the
eased to a
ould have
ent been
e has again
its of those
and though
ctedly dis-
f it, as well
ate it again
to do so.
being per-
be errone-
onable the
eferred to
rtment in
here is no
prudently
at a great
s Govern-
advertising
But there
economy ;
on of the
I under-
f the Gov-
believe it
exercising
advertise
ne risk of
l have to
We have
re recently,
the hon.
regard to
actual ex-
products

of what ought to have been some of the best land there, are but sixteen cents an acre. Last year we had a different tale. Then the policy and interests of the Government required that they should enhance the value of those lands as much as possible ; at all events represent them to be as valuable as any reasonable person would believe. But now it is their interest and policy to represent that land as having as little value as possible, and when they set down the value of the lands at \$1 an acre that they have put the outside value upon them ; although in another breath the Minister of Railways tells us that even now, if you gave him the right of selection, he could select 1,700,000 acres of land worth at least \$5 an acre. It has been said that some of the gentlemen who compose the Syndicate are quite as astute as even the hon. the Minister of Railways, quite as good judges of the value of the lands ; and if there are but 1,700,000 acres of land worth \$5 an acre, there cannot be the slightest doubt that this Syndicate will manage to get possession of every acre, and that will be \$8,500,000. Hon. gentlemen attempt to defend the policy of exempting from taxation the materials to be imported for the use of the railway, the steel rails which, under the operation of our present Tariff, would become subject to duty in 1872, the bolts, plates, spikes, etc., amounting in the whole to about \$100,000, as the hon. gentleman says. He says that if the Government built the road these things, together with every locomotive, every spade and pick-axe would all be imported free of duty. Now that is an extraordinary declaration from so prominent an advocate of the National Policy. In the first place, were the Government to go on with the work the exemption from duty of these articles would inure to the benefit, not of contractors, but of the people at large. Moreover, it has become the settled policy of the Government—I think it was first settled as the policy of the country by the late Government—that when, in any case, tenders are invited or received for furnishing locomotives, cars and articles of that kind, in order to institute a comparison between the tenders sent from abroad and those submitted by the people of Canada, the amount of the duty on the articles must be added to the tenders of the foreigners

in order to ascertain whether they are higher or lower than those of the people of Canada. Under Government control, then, every man in this country capable of producing any one of the articles required upon railroads, whether for construction or equipment, had the protection of the Tariff ; but under the contract manufacturers in this country have no such protection. The contractors have the absolute right to import from abroad, free of duty, all the articles named in the contract. Again, with regard to the taxation of land, while the Government had these lands they were exempt from taxation, and any benefit derivable from that exemption would accrue to the people of the Dominion at large, not a few contractors. When the contractors hold the land, instead of being compelled to proceed to settle the land, as the leader of the Government boasted last year would be the case by the operation of local taxation, they are to be absolutely exempt for 20 years to come, so that if they choose they may hold their lands idle while the Government proceed to settle up the alternate blocks, and thereby add largely to the market value of the lands held by the Company. The hon. Minister asserted that many railroads in the old Provinces are exempt from municipal taxation, and has spoken particularly of a road in which the hon. member for the county of St. John (Mr. Burpee) has a large interest. He says there is no taxation on that road according to a special Statute. He is mistaken. He seems to imagine that the charter was obtained for that road by the active efforts of the member for the county of St. John. I think attempts were made to build some such road as that before the member for the county of St. John took any part in it, and that the charter was already in existence for some time. Efforts were made by others to get up a company, and finally a company was formed, in which the hon. member for the county of St. John and other gentlemen took an active part. They proceeded to the work of building that road without receiving a single dollar of money from the Province of New Brunswick. They did receive aid in lumber lands, valuable it may be, but still they could not be sold at that time for even \$1 an acre. These lands were exempt from taxation for ten years, but the railroad itself was

never exempt from taxation. It was provided that the net receipts of the road were to be liable for taxation, precisely as the income of private individuals. But supposing that road were exempt from taxation, supposing the property of fifty other roads were exempt, all that would furnish no good reason why the people of Canada should be called upon to exempt from taxation in this vast wilderness a company to whom we are to give money enough to build all the road they require and a vast territory of land beside. I do not care to follow the hon. Minister any further. The question really before the House at the present moment is the motion of the hon. member for Shelburne (Mr. Robertson). We are told, and I believe, that a number of Canadian capitalists, as respectable as any in this country, as influential as any in this country, and all known to be above question men of great wealth, have deliberately proposed to undertake the construction of this road upon terms vastly better for the country than those contained in the contract. We now ask that the House should pause until the Government, who admit that they have received such a proposal, bring that proposal down to this House, and until we have time to enquire into all that relates to it. It will not do, Mr. Speaker, to say that this is a mere trick, a mere sham, a mere dodge, for I have heard all of these terms applied to it. The men who came forward and put their names to that document and declared themselves ready to deposit a large amount of money with the Government as security for the carrying out of the work, and as a pledge of their good faith, are not men who could be induced to take part in a political conspiracy even if any such thing had been conceived on this side of the House. For my own part, I heard first of this intention to create a new Syndicate, when I was on my way from St. John to Montreal. When I reached Ottawa I found that very little was known on the subject by any one I spoke to except in the way of rumors, in the newspapers, to which they attached very little importance indeed. The movement has been spontaneous on the part of those capitalists, some of whom are, I believe, friends, politically, of the gentlemen on the other side of the House. It is a proposal which the country will think de-

serves most respectful, careful, and attentive consideration on the part of the Government of this country, and the members of this House. The Government of the Dominion should, for their own sake, if they are not thoroughly infatuated, take care that no further suspicion be attached to them by reason of their refusing time for consideration of this proposal. They have Sir, proceeded throughout this whole business in a way—let me tell them in all frankness and plainly, and I trust not offensively—such as to create the most intense suspicion on the part of the people of this country. Everywhere you turn men ask, why it is that the Government have become parties to such a contract as this, and why it is that they have endeavored to force it on the country in this extraordinary way; and I, for my own part fail to find any answer. Some hint, let me say, to hon. gentlemen, for I want to be frank with them, at most corrupt motives on their part. I cannot believe that those suspicions are well founded, and yet, I cannot deny that suspicion exists, nor can any reasonable, sensible man deny that there are grounds for suspicion. A few short months ago gentlemen on the other side told us that it was the deliberate policy of the Government to build this road as a Government work. They entered into elaborate calculations to prove to us and the people of this country, that the road could be built as a Government work, and paid for out of the proceeds of the lands in the North-West, leaving a large surplus of money at the end of ten years, or money due, and still leave a vast territory to be disposed of. They then asserted that the policy which they proposed to adopt was a wise and sound policy, whereas they say now that this bargain is the best ever presented to the country, while we say it is the worst. They then told us that the other scheme was the best that could be devised. Scarcely had Parliament been prorogued when we found that three of those hon. gentlemen had gone to London. Before they left the Premier announced in a pic-nic speech that they had received proposals from companies for the construction of this road; that the proposals were of the most favorable character, so favorable that if they were accepted the people would be relieved of all liability

and responsibility, and there would be an end to incurring any further debt, an end to any additional taxation. But they did not consider those proposals sufficiently favorable. At all events it was thought desirable to transfer the negotiations to London, where much more could be done, and they went to London; and Mr. Speaker, we heard from time to time from London that they were greatly successful; but about the time they left we had the leading papers of London, almost without exception, some of them serious business papers that never trouble themselves about party, condemning the course of our Ministers in London, one of them describing their course as a mixture of mystery and fuss. They contrived, Mr. Speaker, somehow or other, while in London, to repel every capitalist who approached them, to create suspicions amongst all who had any business with them, and to excite the profound dislike and suspicion of the leading papers of the metropolis, and these are a great power in the world, and particularly in the money world. But when the Premier reached Hochelaga, he announced that he had made a bargain—a contract firm, though he had no power to make such a contract—and that the terms of that contract were such that even Mr. Mackenzie himself would be compelled when they were made known to admit in his place in Parliament that they were infinitely better than he had ever expected or attempted to obtain. Well, Sir, time passed on and it leaked out by-and-bye that a firm contract was not made, or anything like a contract, but an agreement which had to be completed in this country, and we were all willing to wait until the terms of the contract were finally arranged. It became known that the terms of the contract were settled and we were assured that they would be made known as soon as they were submitted to the Governor-in-Council and approved of. But about as soon as the public expected such approval would be given and the terms made known to the country, we found somehow or other that the dignity of Parliament stood in the way of any information being made public. The hon. gentlemen delude themselves greatly if they imagine that the people of this country can be hoodwinked by any plea that the dignity of

Parliament stands between them and their right to know the terms that their representatives have made on their behalf. The dignity of Parliament is not to be preserved, maintained or promoted by secrecy of that kind. The dignity of Parliament, Mr. Speaker, is best maintained by keeping the majority of the members of this House in perfect sympathy with the people of this country in adopting such a policy openly and frankly as the public can approve of. But secrecy is utterly abhorrent to the people of Canada, and, Sir, the very fact that this Government did maintain such profound secrecy with regard to the terms of the contract was in itself sufficient to create, and it did create, suspicion and distrust amongst all classes of the people of this country. While the Government would not let us know all the terms, somehow they contrived to let us know any terms that seemed to be favorable—any that the people would naturally be expected to approve of. They told us as soon as Parliament met that when it became known that an arrangement was made with a company to build this road, a great load of care was raised from the shoulders of all the people, that they were relieved from a feeling that was weighing them down and distressing them, although a few months before the hon. gentlemen told the people that this road could be built without costing them a single dollar. It was asserted broadcast that it was of the utmost value and importance that a limit should be placed to our expenditure on the railway. I think the Finance Minister was one of those who congratulated the people that at last a limit had been put to the expenditure to which the country was committed. And so one after the other, those gentlemen labored, not to give the public such information as they were entitled to receive, not to let the people know precisely what the terms of the bargain were and await the public decision thereon, but such information, so conveyed and modified as to lull suspicion and create false hopes amongst the people,—to give the people not an accurate but an absolutely erroneous and false idea of what the terms of the bargain were. Now Sir, on coming down to Parliament, what do we find? Still the same secrecy, the same determination to withhold informa-

tion. No longer is the dignity of Parliament to be respected, no longer are we to be the omnipotent body that we were represented to be before we met here, because we are denied the information to which we are entitled, which ought to have been laid on the Table of the House without its being asked for. Then look at the time we were called together, just a few days before Christmas. If there was necessity for such a hurry, why not have called us together a month or six weeks earlier, so as, at all events, to give to the world at large the appearance of a desire on the part of the Government to have a calm consideration of this important question, instead of calling us a few days before Christmas, and then threatening us with a refusal to allow us to go home during the holidays, if we did not swallow those resolutions without delay. They altered subsequently that determination, because they found their supporters unwilling to go to extreme lengths on that occasion, and an arrangement was made which, though a modification of the first intention, necessarily shut out members from the Maritime Provinces from Parliament for a day or two on the reopening of the House. The course taken by the Government strengthened the feeling of the public that there is something below the surface in this case which will not bear the light, and when they refuse to consider an offer, such as that which is believed to have been submitted to them, they must know how strong public suspicion will grow, and must be prepared to defy public indignation. The public, we are told, are the very worst tribunal to which a question of this kind can possibly be submitted, yet our constitution knows of no other tribunal of ultimate resort. While hon. gentlemen opposite could humbug the people and mislead them so far as to make them believe that the depression which prevailed was due to want of activity on the part of the Government, they courted and lauded the people. But even then they did not dare to propound to the people this National Policy, which the people are now said to approve. They did not dare to tell the people were about to tax their sugar $1\frac{1}{4}$ cents a pound for the benefit of a few refiners, the woollen goods of the working classes to the extent of 50 or 60 per cent., the cheaper flannels and

blankets 35 to 40 per cent. They did not then, either, take the people into their confidence. When it suits the hon. Minister of Railways he talks of the intelligence of the people, and when he hurls his threats and slanders at hon. gentlemen, he says he is appealing to the intelligence of the public. The Government of which he is a member, never dared to submit to the public their great National Policy. If they had, they would never have reached that side of the House. The refusal of the Government to bring down information asked for, must lead us to the conclusion that they have in their possession better proposals than that which is submitted to us. If we had all the proposals before us, it is more than probable that we would find that there are some probably better than that which is said to be the best. That there are men in Canada prepared to build this road on infinitely better terms than those in the Syndicate contract. We were told in the Hochelaga speech that a great advantage of this contract, was that foreigners were included in the Syndicate, that Germans, French and Americans were to unite together in gathering that tide of immigration which we have been long expecting, and which has never yet begun to flow. Only a few years ago a provision was made in the Allan contract to exclude foreigners. Then the Yankee was an abomination; even his money was scarcely to be touched without pollution. Now the very same gentlemen are pleased to tell us that one of the great advantages of this contract is the interest of Americans in this concern. We told that the Syndicate was composed of great capitalists who had money enough themselves or control, of money enough to build five such railways. Well, when the names were published, the people began to wonder where the rich men were. About the richest were Canadians. The mighty English House turned out to be a house of no very enormous resources. We do not know much about the German house or the American house. How far they are committed to this thing, what capital they are to invest in it, we cannot learn from the contract. We know that none of these gentlemen, should the contract be ratified, need spend much money. Now, the Government ought to pause and think if they have any regard for their future

reputation. If the Minister of Railways desires to see that rather famous pedestal of his receive its statue at any time—if the Chief Minister really desires that his statue shall not only be erected but receive that crown we have heard of, they should hesitate before they incur such a load of suspicion, lest their names, instead of going down to posterity crowned with glory, will go down reeking with infamy. Suspicion attaches to them to-day. Let me say to hon. gentlemen on the other side—who, after all, must bear the responsibility—that though they may be willing to sacrifice their personal feelings and judgment on the shrine of party—as more than one has sorrowfully admitted to the House he is compelled to do—now when new circumstances are presented, now when they see the interests of the country are unquestionably at stake; when a *bond fide* offer, as we believe it is, is made when millions can be saved to the country and millions of acres of land preserved to it; and all those odious, abominable, detestible monopolies prevented—they should prefer the welfare of their country to the interests of party. None of those monopolies would be created under the offers of this new Company. Its members are Canadians, known to us for their integrity, respectability, wealth and intelligence—men whom to know is to respect and esteem—men incapable of lending themselves to any shabby device. It is the duty of hon. gentlemen opposite to consider seriously their responsibilities and considerations to the country under the present serious circumstances. If we consider the character of the new Company, and that on the other side, the men to whom we are to transfer all those enormous grants and privileges—\$25,000,000 cash and 25,000,000 acres of almost fertile lands, immense privileges, exemptions, monopolies beyond estimate as to their value—are, as the hon. the Premier described them: Frenchmen, Germans, Yankees and a few Canadians, who have not shown any extraordinary patriotism in their dealing with the North West—if we reflect on this and consider that if this be the good, *bond fide*, substantial, honest, true offer, we think it is, we may save all these enormous expenditures and perilous exemptions with which we are threatened, and escape the still more dreadful monopolies which impend over us, I can

hardly believe yet, much as I have seen of the flexibility and tractability of the large majority of the House—I will not believe till a vote forces me to the painful, sorrowful, harrowing conviction that those gentlemen can be so untrue to the interests of the country, so regardless of their own reputation and of every honest conviction as to vote against the proposition now before us.

MR. BURPEE.

January 26th, 1881.

Mr. BURPEE (Sanbury) moved in amendment:

"That the resolution be not now read a second time, but that it be resolved, that at present the construction of the Canadian Pacific Railway is premature and would involve the country in an expense beyond its reasonable capacity, and would lead to the maintenance of too high a rate of taxation, while the postponement of that part of the undertaking till after the prairie section is finished, would enable it to be constructed at a much less cost and within a reasonable time."

He said: The House has before it an offer to build the whole line for a grant of \$25,000,000 and 25,000,000 acres of land with exemptions and concessions which are not contained in the second offer, but which are quite as objectionable as the extra amount of money and land granted by the contract. If we are restricted to making a choice between those two offers, I much prefer the second, but in my opinion neither of them should be accepted. I hold that public tenders should have been invited for building the road; and if this course had been followed and the change of policy on the part of the Government made known, much more favorable offers than the second one now before the House would have been submitted. The policy in 1872 and 1874, as detailed in the Acts of those years, was to build the line by a private company, by means of land and money grants. The policy of the Government in 1879 was to build the road out of the proceeds of 100,000,000 acres of land set apart for that purpose, and Imperial aid was to be invoked. I agreed with that policy with

some exceptions, which also apply to the policy of 1880. It appeared from the speeches of members of the Government, both in the House and elsewhere, that their policy as regard the route was to be somewhat changed. According to the resolutions of 1879, it was to be a through route in British territory. The policy of 1880, judging by the speeches of hon. gentlemen opposite, was to take up the Sault route and appropriate a sum for the building of that road, leaving the line along the north shore of Lake Superior untouched for a time. This was understood to be the policy of the Government; and I so understand it, and it was so understood by the country. The people could not have expected that change of policy would have been made so suddenly, and it is quite out of reason to expect that offers could be made on a change of policy of which the public knew nothing. I objected then to building the British Columbia section of the road until it was required for commercial purposes, and until it could be built for less cost, and until money should accumulate from the sale of those lands which might go towards defraying the expense of construction. I object now to the resolutions before the House, because they will involve an increase of the debt and the retention of the heavy rate of taxation already imposed if it will not cause it to be increased. I object to them, also, because the contract binds, not only this Parliament to build the Railway, but future Parliaments to go on and construct the road upon the terms which this Parliament has determined. I think we should postpone building the British Columbia end—and my resolution is to that effect—because it is not now required. It is not now needed, I contend, for commercial purposes. According to the latest available returns, the population of British Columbia is 11,000. I know it is contended by some hon. members that the population is from 20,000 to 25,000; nevertheless it is very small, not exceeding that of an ordinary county in other parts of the Dominion. We have, then, British Columbia, with a small population at one end of the proposed railway; we have 600 miles of very sterile country from Port Moody to Jasper Valley, through which it will be very difficult to build a railway. From

Jasper Valley to Manitoba we have 800 or 900 miles of good land, but unsettled; in all, a stretch of 1,300 or 1,400 miles of country unsettled between British Columbia and Manitoba. I submit that until British Columbia has more population and the country between Manitoba and Jasper Valley has a reasonable amount of settlers, that the railway will not be required for commercial purposes, and it will be madness to build a road at the present time. I, moreover, object to the Dominion proceeding with the work, because it will add largely to our debt and increase the rate of taxation. Our debt in 1871, at the time British Columbia was admitted into the Dominion, was \$77,700,000. The debt at present is, by the Public Accounts of 1880, \$199,000,000 in round numbers gross, and \$157,000,000 net. So it has more than doubled during that time. Then our debt was \$22 per head; now it is nearly \$40 per head, or almost double. Our population has increased, certainly, during the last decade, but it cannot amount to more than 17 or 18 per cent., while that debt has increased over 100 per cent. I submit that we should pause before committing the country to continue the construction of the portion of this road in British Columbia, which will be unproductive and not required, and will add so largely to our debt. If we build the British Columbia end, according to the estimate of the hon. the Minister of Railways, last year, made from Mr. Sandford Fleming's reports, it will cost \$30,000,000 for a very inferior colonization road. If we build it, according to the present contract, it will amount to \$19,500,000 at least. The estimate for the Onderdonk section is \$10,000,000, and for the road between Yale and Port Moody \$3,500,000; and the contract on the Table give \$6,000,000 besides, for that portion of the road between Kamloops and Jasper Valley, making in all \$19,500,000, besides 7,500,000 acres of the best land in the fertile belt, and other advantages more valuable than the money to the people of the North-West. I have another objection, namely, that we can build the road cheaper, when the prairie section is settled up to the Rocky Mountains. All experience goes to show this fact. Since 1871 the means and appliances for the building of railroads

have increased so as to cheapen the construction very largely, probably 25 per cent. If this road were carried to the Rocky Mountains, the facilities for getting materials into that country would diminish the cost of construction. For these reasons, I think that we should pause before we go any further in the construction of the British Columbia end of the road. I admit that both parties are bound to build the road sooner or later, under certain restrictions, one of them being that it should not "add to the rate of taxation." The Government of 1873 agreed to build it in ten years, and that of 1874 in twenty years. Although I admit that we are bound, sooner or later, to build this road, I deny that we are bound to build it unconditionally. The organs of the Government say we are bound to build it at once, that being the one particular point they insist on. They are glad of an excuse to sanction a contract that they know is detrimental to the interest of the country. On the Ministerial side several hon. gentlemen, and notably the Minister of Finance, and the member for Jacques Cartier (Mr. Girouard) have asserted in emphatic terms that we were bound to build it—that our refusal would be repudiation, a breach of faith, and would bring disgrace on the Dominion, notwithstanding the increased debt and taxation it will entail. The member for Jacques Cartier said the resolution of the House limiting the construction of the road so as not to add to our rate of taxation, which taxation clause is embodied in the Acts of this Legislation, had no force. Though he may be a good constitutional and Statute lawyer, which I do not profess to be, I think he is mistaken. In the first resolution with regard to the admission of British Columbia, the condition was that it should not add to the rate of taxation, and in the Acts of 1872-4 and the resolutions of 1876, that condition is reaffirmed. I will refer, as an example of those resolutions and provisions, to two clauses in the Acts of 1874, as follows:—

"And whereas the House of Commons of Canada resolved in the Session of the year 1871, that the said railway should be constructed and worked by private enterprise and not by the Dominion Government, and that the public aid to be given to secure its accomplishment should consist of such liberal grants of land and such subsidy in money or other aid, not increas-

ing the then existing rate of taxation, as the Parliament of Canada should thereafter determine, and whereas the Statute thirty-fifth Victoria, chapter seventy-one, was enacted in order to carry out the said agreement and resolution; but the enactments therein contained have not been effectual for that purpose."

"And whereas the Legislature of this present Session, in order to provide means for meeting the obligations of the Dominion, the rate of taxation has been raised much beyond that existing at the date of the said resolution; and whereas it is proper to make provision for the construction of the said work as rapidly as the same can be accomplished without further raising the rate of taxation."

That is from the Act of 1874, and it is detailed in the other Act in about the same language. And though there are legal gentlemen on the other side competent to give an opinion on the subject, one of their number—I refer to the hon. member for Halton (Mr. Macdougall)—has given an opinion which we may fairly set against the views of other hon. gentlemen on that side. He was a member of the Government when the negotiations with British Columbia began; he was Minister of Public Works and had special charge of those negotiations. He is a legal gentleman, and has had a good deal of parliamentary experience. In a speech which he delivered in the House last year he used these words:

"I will ask the indulgence of the House while I go back to an earlier chapter in the history of this question than that which the hon. gentleman detailed to us. I do so for the purpose of showing that there are reasons why members of this House ought not to concur in the doctrine set up, in some quarters, as to the obligations of Canada towards British Columbia, respecting the Pacific Railway. I deny that there is any evidence to support the statement that we are under a treaty obligation with British Columbia to expend millions and millions, whether we can afford it or not, to build this railway."

This, Sir, is an opinion from a gentleman not only well qualified to give an opinion but who was and is now in full sympathy with hon. gentlemen opposite. I think I am justified in saying, therefore, that it was not the intention of the parties who made the original contract that it should be regarded as one of the nature—which hon. gentlemen opposite say should be regarded in the nature—of a treaty. We find that it was not the Dominion that sought to induce British Columbia to enter the Union, but it was the people of British Columbia who made the first ad-

vance. They commenced the agitation in 1867—about the time that the negotiations were going on for the Union of the older Provinces—by means of holding public meetings and passing resolutions. I shall here read a portion of the Order-in-Council which was passed in answer to the application from a portion of British Columbia to enter the Union:

"That it appears from these resolutions and the memorial of the Committee appointed at the public meeting, which accompanies them, that the Legislative Council of British Columbia, on the 18th March, 1867, unanimously adopted a resolution requesting His Excellency Governor Seymour 'to take measures without delay to secure the admission of British Columbia into the Canadian Confederacy on fair and equitable terms.'"

Then we find that a meeting was held in Cariboo, of which the following is an account:

"The people of Cariboo, the next most populous and influential portion of the colony, held in December a highly enthusiastic meeting, and unanimously passed resolutions in favor of immediately joining the Dominion of Canada."

We were informed that all the newspapers except one, five in number, supported Confederation. The hostile paper was in favor of annexation to the United States:

"The Legislative Council, the only Legislative body in the colony, is made up of a majority, consisting of Heads of Departments, Gold Commissioners, Magistrates and others subject to Government influence, and cannot be relied upon to urge Confederation, as it ought to be at the present juncture, and, therefore, they appealed to Canada to help them."

Here are the terms which the people of British Columbia asked for at the time:

"1. Canada to become liable for the public debt of the Colony, estimated at \$1,500,000."

"2. Canada to provide for Federal officers and services."

"3. To grant a fixed subsidy and *per capita* subsidy sufficient to ensure the support of the Local Government, in addition to the powers of taxation reserved to Provincial Governments in the British North America Act."

"4. Representation in the Senate and Commons of Canada."

"5. The construction of a trans-continental wagon road from Lake Superior to the head of navigation on the Lower Fraser, within two years after the time of admission. This is regarded as an essential condition."

"6. Popular representative institutions, insuring responsible control over the Government."

Now, Sir, these are the only conditions that were made at that time. British

Columbia did not ask for the railway at all. Subsequently, however, negotiations took place from time to time between British Columbia and the Governments of Canada and Great Britain, the result of which was that delegates were sent from British Columbia to Ottawa to negotiate terms of admission into the Union. I will read from the terms what those delegates were authorized to offer:

"8. Inasmuch as no real Union can subsist between this Colony and Canada without the speedy establishment of communication across the Rocky Mountains by coach road and railway, the Dominion shall, within three years from the date of Union, construct and open for traffic such coach road from some point on the line of the Main Trunk Road of this Colony to Fort Garry, of a similar character to the said Main Trunk Road, and shall further engage to use all means in her power to complete such railway communication at the earliest practicable date, and that the surveys to determine the proper line of such railway shall be at once commenced, and that a sum of not less than \$1,000,000 shall be expended in every year from and after three years from the date of Union, in actually constructing the initial sections of such railway from the sea-board of British Columbia to connect with the railway system of Canada."

All that British Columbia delegates asked was an expenditure of \$1,000,000 per annum, not on their own end of the road, but on the whole line. The hon. member for Halton (Mr. Macdougall) explained this matter in his speech that year so much better than I can do it myself, that I will take the liberty of reading a portion of his remarks on the subject:

"On presenting those terms at Ottawa, and discussing them with the Canadian Government, an alteration of this clause was proposed to the British Columbia delegates, with respect to the railway as follows:—

"The Government of the Dominion undertake to secure the commencement simultaneously within two years from the date of the Union, of the construction of a railway from the Pacific towards the Rocky Mountains, and from such point as may be selected east of the Rocky Mountains, towards the Pacific, to connect the seaboard of British Columbia with the railway system of Canada, and further, to secure the completion of such railway within ten years from the date of Union."

"That condition or term is the Act of Union was a voluntary proposal of the Government of Canada. The Government of British Columbia proposed that we should undertake the construction of a railway at the rate of \$1,000,000 a year, which if the estimate of the Chief Engineer that it would cost \$100,000,000 be correct, would require 100 years instead of ten to complete the Pacific Railway. My contention is, that, so far as this Parliament is con-

railway at
negotiations
between
Governments
the result
were—sent
Ottawa to
into the
rms what
to offer:

can subsist
without the
tion across
and railway,
ars from the
for traffic
the line of
ny to Fort
said Main
ge to use all
ch railway
feasible date,
the proper
ommenced,
00,000 shall
after three
tually con-
ch railway
bia to con-
ada."

ates asked
0,000 per
d of the
The hon.
McDougall)
eech that
an do it
liberty of
ks on the

tawa, and
n Govern-
s proposed
ith respect

ion under-
ultaneous-
the Union,
from the
tains, and
ast of the
ic, to con-
a with the
urther, to
ay within

t of Union
ernment of
olumbia
the con-
\$1,000,000
the Chief
00,000 be
ead of ten
ly conten-
ent is con-

corned, we are not bound by the terms of Union respecting the railway in the absolute sense or to the extent which some hon. gentlemen even on this side of the House contend. It was a voluntary proposal of our own; a *nudum pactum* as lawyers would say, because we received no consideration for it. It is true the British Columbia delegates did not object to it. They were very glad to find that the people of Canada were so anxious to establish rapid transit across the continent. But that, like any other decision of Parliament, was subject to modification. The condition that the resources of the country would enable the Government to 'secure the completion' of the work in ten years was always understood. Nay, more, it was expressly stipulated. We promised British Columbia, and we promised everybody, that we would build the railway if we could. But Parliament did not deprive itself of its legal natural, constitutional right to modify or repeal any law in the Statute-Book or any schemes or undertakings which might be found impracticable. British Columbia, being part of the Dominion, can have no right to complain unless it can show that we have the means, or that they are within our reach, and that it is to the interest of the country to proceed with the construction of the railway in their Province. As members of this House, and representatives of a portion of the people of the Dominion hon. gentlemen from British Columbia have the right to present their case in the best way they can. But to say that the transactions of 1871 are in the nature of a treaty, that this Dominion consists of separate parts which have treaty obligations one with another, and that we are bound at all hazards, and under all circumstances, whether we have the means or not, to carry out anything that a previous Parliament may have proposed in reference to public works in in any Province—that proposition Mr. Speaker, cannot be maintained."

This is the opinion of the hon. member for Hulton. I stated that delegates from British Columbia came here, and that the Government arranged the terms of Union with those delegates. But while resolutions embodying those arrangements were being passed through this House, providing for the building of the road in ten years, hon. gentlemen on both sides of the House became alarmed. They thought the Government were undertaking a task beyond the resources of the people of this country, and there was difficulty about passing the measure. The majority of the Government had been sixty or seventy, and during the passing of these resolutions it dwindled down to ten or fifteen. The result was they passed a resolution to the effect that the building of this road should not increase the rate of taxation. The bargain being on the condition I have stated, I do think the country is not bound to go on with the work in British

Columbia, irrespective of the burdens to be imposed on the people. The hon. Minister of Railways, when proposing the construction of the Yale-Kamloops section last year, said that he had power to delay the work for a year or more, and that although by the Carnarvon terms the Government agreed to spend \$2,000,000 a year in British Columbia, yet they did not intend to spend \$1,000,000, and, so far as he was concerned, he ignored those terms. In fact, by a return brought down to the House this Session, we find that the expenditure in British Columbia this year has not exceeded \$400,000. But the Carnarvon terms have been referred to, and gentlemen opposite appear to put a good deal of emphasis on what are called the Carnarvon terms, substantiating their position by the assertion that the Dominion is bound by those terms to the immediate construction of the whole road. The fact is, the Carnarvon terms were not in the nature of an award, but only a recommendation of Lord Carnarvon for the purpose of satisfying British Columbia. The recommendation was that Canada should build the Vancouver Island railroad, and expend \$2,000,000 per annum on the mainland. The member for Lambton (Mr. Mackenzie) on the part of the Government of the day was, no doubt, very anxious to do all in his power to satisfy British Columbia and carry out the arrangement made with that colony. He may or may not have gone too far in that direction. For my own part I think he did go too far. But he consented, subject to the resolutions and Acts of Parliament prohibiting an increase of taxation for that purpose. He could not if he would bind the country contrary to the Acts of Parliament. But what does Mr. Mackenzie himself say about it? I think he is more capable of interpreting his own intentions and acts than gentlemen opposite. In a speech he made in this House last Session, he said:

"When we assumed the responsibility of accepting the proposals of Lord Carnarvon we did so as a matter of course, subject to the reservation made in the Ord. in Council and to the enactments already in existence, and the parliamentary resolutions prohibiting increased taxation."

Parliament did not sanction the recommendation of Lord Carnarvon. In fact in one important particular it refused to

do so by rejecting the Bill for the construction of the Vancouver Island Railway. I submit that if Canada is not bound to build the whole road unconditionally and at once, without reference to the rate of taxation imposed, and if that portion of the road situated in British Columbia be not required for commercial purposes at present and will not be for many years to come; if that portion of the road can be much more cheaply built after the eastern portion of the Pacific Railway has been built to the Rocky Mountains, and the the prairie country has a reasonable amount of population, and if it is a fact that this section of the road will be unproductive and burthensome if built now, as is admitted, by gentlemen opposite, what madness, what infatuation to persist in doing so, when by doing so the present exorbitant rate of taxation must not only be kept up but increased. I have already stated that the gross debt of the Dominion is \$199,000,000, the net debt \$157,000,000; if the present contract is carried out it will add at least \$40,000,000 more to our obligations. I venture to predict that in ten years when the contract terminates, if indeed it does at that date, if the Government do not ignore all public works in other parts of the Dominion, that our debt will reach the enormous amount of from \$230,000,000 to \$240,000,000. The interest on that sum will amount to about \$12,000,000 annually. A debt of such magnitude will be a heavy burden on the resources of the people of this country. It must necessarily be detrimental to our best interests and retard our future progress. It will make Canada a dear country to live in, increase the price of manufactures and the cost of products to all classes of consumers. And this in the face of the fact that our debt per head to-day is just about as high as the rate per head is in the United States. While they are rapidly reducing their debt we are rapidly increasing ours. Our relative positions in this respect is fast changing; and the United States is a country with which we will have to compete in manufactures as well as in the competition for emigrants and settlers. But it is contended that the sale of lands in the North-West Territory will be sufficient to recoup the Dominion for the outlay on this road. I do not think there are any good grounds for such an assumption,

and I think it must be a very sanguine or reckless person who would rely upon such a source to relieve us of our liabilities. Our experience in the older Provinces proves the fallacy of this contention. Several of the older Provinces who have their Crown lands under their own control, from which they derive more or less revenue—these Provinces also have their Dominion subsidy, and other sources of revenue, yet they find very great difficulty in keeping their expenditure within their income. Our experience in Manitoba and the North-West Territory, up to this time, will give us some idea of the expense to be expected in that territory, for which purpose the member from Perth (Mr. Trow) gave a statement a few evenings ago of the expenses incurred in establishing a Government in Manitoba and governing the North-West. He stated that the sum of \$14,000,000 had been spent in Manitoba and the North-West Territory since we acquired that country, outside of the railway expenditure, and that we received from Customs dues, Excise, and sales of lands less than \$1,700,000. In this calculation there are items which would not justly be chargeable to the establishment of a new Province, but the following items will show how large an expenditure has been made for the purpose of establishing the Province of Manitoba and governing that territory: We have paid for Mounted Police, in all, \$1,935,000; for Emigration, \$1,542,000; Public Works, Buildings, &c., \$1,378,000; Dominion Land Surveys, 1,186,000; Indian Treaties, \$1,534,000; Military Expedition to Manitoba, \$756,000; Subsidy to Manitoba, \$698,000; Relief of Settlers, \$83,000; making in all about \$9,000,000 in round numbers. We have received, in Customs, \$1,381,000; Excise, \$148,000; Sales of land, \$139,000; total \$1,667,000. This shows the enormous cost likely to be incurred by the Dominion in the establishment of new Provinces in the North-West. Of the lands in the North-West this contract which we are now asked to ratify gives to this Syndicate 25,000,000 acres of the best lands in the fertile belt. The Hudson Bay Company has reserved for themselves 50,000 acres around forts, &c. The same company have five per cent. of the balance of the whole North-West also reserved. There

are large reserves for Indians, and also for schools; the whole of which will absorb the major portion of the best lands of that country. I do think he would be a very reckless man indeed that would calculate to pay off our large liabilities from the remaining portion of our lands in that territory. Additional railways will have to be constructed for the purpose of developing that region of country. Provinces will have to be established as population increases, and Local Governments will have to be subsidized for their maintenance; and I contend that the expenditure necessary for these purposes will require all the moneys accruing from Customs, Excise and sales of land. Faith must be kept with British Columbia, is the argument most relied upon by the supporters of the Government. But have the other Provinces no claims on this Dominion? Is there not a stipulation in the resolution and Acts referred to that the road should not be built faster than the resources of the country will admit, without increasing the rate of taxation. Has faith been kept with the older Provinces in that respect? Has not our rate of taxation been enormously increased? Have they no right to complain? I think they have. While millions upon millions are expended, nay, squandered, in British Columbia and the North-West, on unproductive works, the people of the Maritime Provinces are refused the smallest concessions in aid of much needed improvements, and when they ask for necessary expenditures they are told that there are no funds. I contend that we should postpone the building of the British Columbia section until the commercial necessities of the country demand it, and our financial position will warrant the expenditure.

SIR A. J. SMITH.

January 26th, 1881.

SIR ALBERT J. SMITH: Mr. Speaker, I am quite sure the House will be gratified to learn that I do not intend to deliver a speech of any considerable length on this occasion. Before proceed-

ing to discuss the resolution before the House, perhaps it will be as well to settle the matter which may be regarded as a personal one between the Finance Minister and myself. In the course of his speech the other night the hon. gentleman threw across the floor a challenge. He said he was prepared to go to my county and to meet me at any time. The hon. gentleman is the only representative in the Government from New Brunswick, and he holds all the patronage in his hands. Hitherto New Brunswick had two representatives in the Government, but the hon. gentleman, for some reason best known to himself, seems to prefer that he should be the only representative of that Province in the councils of the country. My hon. friend has also great advantage in this respect, that he has two very vile and abusive newspapers in New Brunswick under his control and subject to his inspiration. Their special mission seems to be to abuse and attack me, not only politically but personally, on all occasions. I am disposed to challenge my hon. friend the Minister of Finance, for his challenge is rather indefinite, and I do so in this form. If he will resign his seat I will resign mine; let him come to Westmoreland and run against me, and if I do not beat him by more than 500 votes, that he and I will retire into private life. I think it was not very becoming of the hon. gentleman who represents St. John by only nine votes, that he should flaunt a challenge across the floor to me, when he is aware that I have a majority in my county of between 600 and 700. I will give the hon. gentleman six weeks to consider this proposition.

SIR LEONARD TILLEY: I represent the whole constituency, for at the last election I was returned by acclamation.

SIR ALBERT J. SMITH: If you entertain that view, you will be the more ready to accept the challenge and put someone else in for St. John. Having thus briefly referred to the matter between the Finance Minister and myself, I will now proceed to offer some observations in relation to the amendment I moved last night. If there is one principle which should be regarded as sacred and should be adhered to on all occasions, it is the principle connected with the administration and conduct of public

business, that public works should be let by public tender and competition. The advantages of carrying out that principle cannot be overrated. It prevents favoritism and corruption; it secures purity in the administration of the affairs of the country and prevents fraud. In this case it will not be denied that this principle has not only not been carried out, but has been absolutely violated. It cannot be contended for a single moment that the public had any notice of the intention of the Government to receive tenders for the construction of the Pacific Railway. The policy of the Government was recognised as settled during last Session, and it was decided that this work should be constructed as a Government work and in no other way. Hon. gentlemen opposite approved of the policy then promulgated by the Government, and also voted for the valuation given to the lands in that region. They also approved, and supported and sustained by their votes the estimates of the costs for the construction of the railway. The Minister of Railways told the House that this contract on the Table was made under the authority of the Act of 1872; but it turned out that that Act was repealed. The hon. gentleman also stated that this contract was made under the authority of the Act of 1874. My hon. friend, the leader of the Opposition (Mr. Blake), has clearly shown that that was not the case, and that there is no portion of it which is conformable to the contract; and, therefore, the Minister of Railways has failed to prove his contention that the contract was let under the authority of the Acts of 1872 and 1874. Now, as no notice was given that the Government intended to change and radically alter the policy of last Session, that they intended to receive tenders for the construction of this work, it seems to be a reasonable solution of the present difficulty that this contract should be abandoned and the work let out to public tender. I am satisfied that that will be more satisfactory to the people than any other course. Hon. gentlemen on the other side say that if this contract breaks down the Government must fall. Now, we on this side will undertake, and the leader of the Opposition has expressed himself in the same sense, to waive any such chance as that. We are not disposed to

take any such advantage, and we want the country to understand that we do not seek to overthrow the Government by defeating this contract. It is well known that an offer has been made much more advantageous to the country than the terms of the present contract, and made, too, by a body of men as wealthy, as respectable, and as responsible as the members of the first Syndicate, and that they are prepared to construct this work from end to end for millions of dollars less than is asked by the first Syndicate. Why do the Government not accept it? Have they no regard to economy in the revenues of the country? Why should they not endeavor to save from \$10,000,000 to \$20,000,000 by the acceptance of the second offer? But even that offer, in my view, is quite too much; I think the work can be done for a great deal less. The only argument advanced on the other side in favor of this contract is, that it is better than any other offer we have ever had. Now I am prepared to show, beyond controversy, that no offer was ever made, either by statute or by contract, equal in enormity to this, and that this contract gives more than was ever proposed to be given before. Before coming to that it may be well for me to contrast, as my hon. friend the leader of the Opposition has contrasted, this contract with the provisions of the Act of 1874, and show wherein they differ. First, let us compare this contract with that made by the Government in 1872, with Sir Hugh Allan. Now, it is important to have the views of the Government on that day. I presume they endeavored to protect and guard the public interests. This contract shows precisely what the views of the Government were in reference to this transaction. There is no concession made in that contract such as we have now, and the Government have failed to give any reason for the change. The Allan contract provided that certain portions of the stock should be held in each of the Provinces of the Dominion. Why is it that there is no provision of the kind in this contract? It was then considered by the Government of the last importance that this work should be constructed by Canadians alone. It was then considered of the last importance to exclude foreigners and that the work should be a Canadian work. Why

and we want
 that we do not
 government by
 is well known
 much more
 ry than the
 et, and made,
 healthy, as re-
 as the mem-
 and that they
 is work from
 lars less than
 te. Why do
 it? Have
 the revenues
 ould they not
 0,000,000 to
 ance of the
 offer, in my
 I think the
 eat deal less.
 on the other
 contract is,
 her offer we
 prepared to
 that no offer
 tute or by
 to this, and
 re than was
 ore. Before
 vell for me
 friend the
 contrasted,
 ovisions of
 herein they
 his contract
 ernment in
 Now, it is
 ews of the
 resume they
 guard the
 contract shows
 the Govern-
 transaction.
 le in that
 w, and the
 give any
 an contract
 of the stock
 rovinces of
 at there is
 s contract?
 e Govern-
 t this work
 ans alone.
 ast impor-
 d that the
 rk. Why

the change in this respect? We are told now that it is much better to give this contract to foreign capitalists, and so we have on the Syndicate Englishmen, Frenchmen, Germans and Americans, but only two or three Canadians. It has been stated here, and has not been denied, that it is perfectly competent for George Stephen and his associates to go to New York and sell this contract to Vanderbilt, or any other great railway magnate. There is nothing to prevent foreigners holding this entire road, and holding all the valuable franchises and privileges which are conferred by this contract. I will venture to make the prediction that the leading men in that Syndicate will not be six months hence in that corporation at all. Now, it seems to be a serious matter that foreigners should come in and control that whole contract, and eventually control the powers of this legislature — because, by the terms of this contract, our powers are tied up, they are suspended by this contract in favor of the Syndicate. The Allan contract provided that all the directors should be British subjects and that the number should be thirteen. This contract simply provides that a majority of the directors should be British subjects, and it does not limit the number at all. Three directors would be quite sufficient to meet the terms of this contract if they own \$25,000 of stock each. Now, this is a very important and serious change in the policy of the Government. Why has it been made? If there is money to be made in this contract our own people ought to have it. If there is money to be made in running this road, it is but right that Canada should get the benefit of it. In 1872, when the Government was composed of nearly the same gentlemen as now, they thought then that this railway should be a British institution. Now, they seem to think it is best to hand it over to foreigners, and they have failed to give any explanation of this change of view. The Allan contract gave \$30,000,000 in cash, this contract gives in cash and railways \$60,000,000. The Allan contract gave no choice in selection of lands, this one gives a large measure of choice to the Syndicate. The Allan contract gave no exemption from taxation or from Customs duties as this does. If it is right now that these

exemptions should be made, why was it not equally right in 1872? I say that this exemption from taxation applies not only to the main line but to all its branches that may hereafter be constructed under this contract. The company have liberty to construct branches everywhere, anywhere, and at any time, one hundred or two hundred years hence, and the exemptions will apply to the branches so far in the future. If that is not the intention, I would suggest to the First Minister that he should look into it and have it made clear, as I am satisfied the Syndicate considered that to be the construction of the contract.

Sir JOHN A. MACDONELL: It is a mistake, I can assure the hon. gentleman.

Sir ALBERT J. SMITH: Then you have not put it so in the contract. The Allan contract made no exemption from import duties; this contract does. The Allan contract provided for the taxation of the land grant at once; this contract provides for the exemption of the land grant for twenty years, and as some portions of the land will not be granted until the tenth year, these exemptions will last for thirty years. The Allan contract gave no exclusive privileges for the construction of railways in that country. It left this Parliament free to exercise their discretion in conferring on any parties the right to construct railways in that country. This power is taken away by this contract; the hands of the Legislature are tied up; no one can obtain power to build railways except in such directions as to serve the interests of this corporation. Under the Allan contract the Government had power to regulate tolls. This contract gives no such power until the company have earned 10 per cent. of the capital invested in the road beyond all expenses. It is said we are going to have a modification of this clause, as we certainly should, or else the company will have power to do as they choose in respect of tolls. I would like to ask my hon. friends from Manitoba what they expect when the Pembina Branch is handed over to those men, who own the railways on the other side, and who will at once have power to enforce such tolls as they please; because the 10 per cent. clause applies only to the

whole road after it is constructed. I listened last night with great attention to my hon. friend from North Simcoe (Mr. McCarthy) who, I must do him the credit to say, did frankly and fairly endeavor to answer the arguments put forward by gentlemen on this side while others on that side did attempt to do so. I was very much amused at the hon. gentleman's great ingenuity. He told us that his first conviction, on reading this contract, was that it was outrageous, that it could not be justified, and that he could only feel justified in ratifying that contract by repudiating entirely the value given to the land by the Government last Session.

Mr. McCARTHY: That was not my statement. I accepted the value given to the lands by the Government, and the value placed upon them by the hon. gentleman and his party—\$3.18 per acre—not because I thought that was their value, but merely for the sake of the argument, and I said that—

Sir ALBERT J. SMITH: My hon. friend last Session sustained the policy of the Government in placing that value upon them.

Mr. McCARTHY: No, no.

Sir ALBERT J. SMITH: Of course he did, when this matter was regarded as a Government work. Under the Allan contract the Government had power to appoint officers to see that the work was faithfully performed, which was a very necessary provision; but under this contract they have no such power. Under the Allan contract, the Union Pacific Railway was simply to be an approximate standard, a sort of general guide for the construction of the railway; but it did not stop there. It provided for an improvement in the alignment and grades wherever that could be obtained, without undue expenditure. A letter has been put in, which has no legal effect whatever, and the standard is to be that of the Union Pacific Railway when first constructed. When the Allan contract was made, no portion of the Canadian Pacific Railway was built, and no portion could be handed over to the Company; by this contract, all parts of the railway constructed are to be handed over immediately on the consummation of this contract, and we know that they are profitable and are

producing a large revenue, even now. It has been said by hon. gentlemen opposite, from the hon. the First Minister down, that this is the best offer ever made for the construction of the Canadian Pacific Railway. No offer was made under the Act of 1874, so that the only previous offer we ever had was that of Sir Hugh Allan. The discussion on the part of hon. gentlemen opposite, has proceeded on the fallacy that this company are to do all that Sir Hugh Allan's company were to do. Sir Hugh Allan's contract was to build 2,700 miles of railway, for which he was to get \$30,000,000 and 50,000,000 of land; or, \$11,111 in cash and 18,400 acres per mile. Under this contract, which hon. gentlemen opposite say is more favorable than the Allan contract, the Syndicate gets for building, not 2,700, but 1,900 miles, \$25,000,000 in cash, and 25,000,000 acres. Deducting \$700,000 for the first 100 miles west of Winnipeg, over which the company has to pay cost price, leaves \$24,300,000 which the company will get in cash from the Government, or \$12,800 cash per mile in addition to the railways now being and to be completed, and the cost of survey, which amounts to \$32,000,000, or \$16,842 per mile, making a total of \$29,642 per mile in cash. Then this company are to get 25,000,000 acres or 13,156 acres per mile; valuing the land at \$1 an acre, the total subsidy is equal to \$42,798 per mile, while under the Allan contract the total subsidy only amounted to \$29,511 per mile, taking the lands at the same price, \$1 per acre; making a difference in favor of the latter of \$13,000 per mile. In addition to getting \$13,000 per mile more than the Allan company, this Syndicate got the Pembina Branch, which I have no doubt, in a year or two, will give a net profit of \$100,000 per annum. These calculations cannot be controverted. Under the circumstances, is it not proper this work should be put up to public competition, so that every man should have a fair chance to compete for this contract? It will save millions and millions of dollars to the country. These gentlemen of the Syndicate could, in another year, if they choose, sell the whole thing at an enormous profit. Therefore, I move in amendment:—

That the said resolutions be not now read a second time, but that it be resolved, that in the

opinion of this House tenders should be invited for the construction and operation of the railway, before Parliament is asked to ratify any contract for the same.

MR. G. G. KING.

January 28th, 1881.

Mr. G. G. KING said: Before these resolutions are read a second time, I desire to call attention to what appears to me to be a dangerous as well as important feature in this contract, I refer to the standard of construction. Everyone who has paid any attention to the building of the Canada Pacific Railway, knows that two objects have been kept in view; first, the opening up and development of the North-West, and next, the securing a large foreign traffic over the road when constructed. As surveys have progressed from time to time, the country has been told that we possessed a route a thousand miles shorter from the Pacific Coast to England than that from San Francisco via New York. That in addition to this it would be possible to secure at a reasonable cost a route eminently more favorable in respect to grades and curves than that of any line now built south of the boundary. Speech after speech has been delivered in this House and out of it, showing that foreign traffic and travel were to flow over this great transcontinental line. The trade of China and Japan was to pass by our doors. The hon. member for Lambton had been so far successful before retiring from office, as to be in a position (had the financial condition of the country warranted it) to have placed the whole line under contract, basing his estimates for the work on actual surveys over a line on which the grades would not exceed 26 feet per mile coming east and 40 feet per mile going west. We find on referring to the report of the Chief Engineer, in 1877, that the estimates then made were for a line of road equal in every respect to the Intercolonial, and so far as grades and curves were concerned, they were to be much more favorable. In proof of this, I propose reading from the report to which I

have alluded, in which Mr. Fleming says, speaking of the C. P. R.:

"The amount of the expenditure may, in the first place, be reduced by the introduction of timber trestle-work in the place of solid earth or rock embankment, and by the use of temporary structures in place of permanent and more costly ones. Various expedients could be resorted to, to limit the first expenditure generally by the adoption of perishable works to be replaced as they require restoration by more permanent works. By this means the first cost could be reduced, but with the prospect of ultimate increased expense. It is considered advisable to take the standard of the Intercolonial Railway, where solid and permanent works generally prevail."

The first intimation we had of a departure from the policy of the hon. member for Lambton, for the construction of the Canadian Pacific Railway, was a letter addressed to the Chief Engineer of this railway by the Minister of Railways, on the 15th of April, 1880, in which he says:

"DEAR SIR.—The Pacific Railway debate will begin this afternoon, and I must ask you to furnish me with an estimate of cost. In doing this, take the following data:—

"The four contracts recently let in British Columbia, making full allowances for the reductions to be made and referred to in your report on these contracts.

"With regard to the location and character of the railway, I am aware that your own preference has been for a line with light, easy gradients. The Government recognizes the advantage of this feature between Lake Superior and Manitoba, but west of Red River we attach less importance to it than the rapid settlement of the country and the immediate accommodation of settlers.

"The policy of the Government is to construct a cheap railway, following, or rather, in advance of settlement, with any workable gradients that can be had, incurring no expenditure beyond that absolutely necessary to effect the rapid colonization of the country."

I can understand that the position then taken by the Government might be defended on the ground that the saving to be effected by the change was in the interests of the taxpayers; but it is quite a different thing when it is now proposed to hand over to the Syndicate 2,000 miles of that road to build, which, according to the estimate of Mr. Fleming, submitted last year, would cost \$48,500,000 for which they are to receive nearly double that amount. The hon. gentlemen then called the attention of the House to a return laid on the Table which purports to be the basis upon which the Government founded their policy in selecting as a standard for the

construction of the Canadian Pacific Railway, the Union Pacific Railway. The return was made up of a letter signed by the President of the road and some Directors, a report on the condition of the road and a minority report of Directors. The gentlemen who made the first report gave it as their opinion that the Union Pacific Railway was completed in 1870. The other, and the one on which it would appear the Government based their judgment, read as follows:—

"The first question that comes before the Commission is, what is meant by Congress in its various Acts relating to the Pacific Railroad by the words 'first class railroad?' In the opinion of the Commission the requirements of the law will be satisfied, and the designs of Congress carried out, if the roads were properly located, with judicious grades; have substantial road-beds of good width, ballasting, which with proper care shall be able to keep the track in good condition throughout the year; permanent structures for crossing streams, good cross ties, iron and joint fastenings; sufficient sidings, water tanks, buildings, machinery, adequate rolling-stock—the more important machine shops and engine houses being of masonry; and the Commission is glad to be able to say that, in its opinion, while some expenditures still need to be made, these two roads are substantially such roads to-day. The expenditures needed for completion will be given in detail for each road."

Notwithstanding these gentlemen are disposed to report so favorably, we find a little farther along in their report they are obliged to admit that over one and a half million of dollars will be required to put the road in a condition fit for traffic. In the details of deficiencies enumerated by them we find that five hundred and twenty thousand dollars would require to be expended in the way of ballasting, and five hundred and fifty thousand in replacing temporary bridges and trestle-work with more permanent structures. I have in my hands a report by another gentleman who was appointed by the United States Government to examine the condition of the Union Pacific in 1869. He says with reference to the road-bed:

"I examined the road-bed constructed in this valley (Salt Lake Valley) by the Central Pacific Company and found it of a uniform width of fourteen feet, and neatly finished. The Union Pacific road-bed is neither of these. Its width at the grade line on embankments, especially where it should be the widest, if any difference existed, is only the width of the tie, or eight feet, sometimes a little over and sometimes a little under. In several places I saw

the ends of the ties projecting over the embankment. What is here said will apply equally to that part of the road lying east which I examined."

In summing up, this Commissioner says:

"While I may possibly be somewhat at fault in details I have given, I feel satisfied that I am substantially correct. But however important or unimportant these details, they cannot effect the great truth, I shall now state:

1st.—The road is not as the law requires a first-class road.

2nd.—It is not supplied with the necessary buildings.

3rd.—I have not safe and substantial bridges.

4th.—The tunnels are not wide enough for a double track.

5th.—The road bed at the grade line is not of uniform width of fourteen feet, nor has it been properly levelled nor the rails lined.

6th.—Especially would it be extremely dangerous for heavy trains to pass over the western portion of the road.

7th.—The ties have sunken in many instances, sometimes at one end, and sometimes entirely, the dirt being washed from under them. This is more generally the case on embankments. Miles upon miles of them were laid during the winter when the frost was in the ground, the rails consequently have an uneven bearing, and in numerous instances are bent and appear as you look back upon them like a succession of small waves. I saw, however, a number of men at different points engaged in raising the ends of the ties and packing dirt under them so as to level the track as far as that would do it. Two considerations remain which I deem of more importance than others. First, the road is not ballasted nor is any part of it. True, hands have been and are now here and there employed in throwing a few shovels of such material as the road-bed is composed of (taken in all cases from the sides of the embankments where they exist) between the ties.

"Cross-ties are laid with great irregularity on the bed of the road. They appear indeed to have been pitched in and the rails spiked to them wherever they fall."

This was the condition of the Union Pacific Railway as it was when first constructed, and I am not surprised to find that hon. gentlemen opposite are dissatisfied with it as a standard for our road. But now we find a letter laid upon the Table of the House signed by three members of the Syndicate agreeing to adopt as the standard of this contract the Union Pacific as it was Feb. 1873. This letter may or may not be binding on the Syndicate. But let us inquire into the condition of that road at that time and what do we find? That of the large sum which it was deemed necessary to expend in the way of ballasting the road not one dollar had been spent prior

to 1874. And only about one-half the temporary bridges had been replaced by permanent structures at that time. The Government railroad bureau, in its report, dated December 2nd, 1874, states:

"Between the 1st of January, 1874, and the close of our inspection of the road in August last, fifty-five miles of 58-pound rails had been relaid; the cost of rails and transportation to points where used having been \$271 552.94. An additional twenty-two miles of rails were contracted for, one-half being in transit, and all to be delivered before the close of November.

In the same time there had been put in track 367,307 pine and 47,892 hard-wood ties; the cost of which, at points where used, being \$260,249.11, a fraction less than 65 cents per tie, including transportation.

Eight miles of track have been raised during the year, releasing one-half mile of snow-sheds and ten miles of snow-fence—the fences in many places being double or treble breasts, thus accounting for the excess of miles of fence over miles of raised track. The protection of the road now against obstruction by snow has been carried to such a degree of perfection, that impediments to the operation of the line from that cause will be no greater in the future than may be expected on any of the lines between Chicago and New York. The problem of the practicability of the road for winter operation may be considered as solved.

The filling of the high and long trestles mentioned in our report of 1873 has been completed as follows:—

No. 765, near Arpen, 24 feet high, 408 feet long.

No. 766, near Arpen, 50 feet high, 600 feet long.

No. 767, near Arpen, 29 feet high, 186 feet long.

No. 798, near Wasatch, 29 feet high, 186 feet long.

No. 799, near Wasatch, 71 feet high, 590 feet long.

No. 800, near Wasatch, 24 feet high, 369 feet long.

No. 801, near Wasatch, 35 feet high, 350 feet long.

No. 802, near Wasatch, 35 feet high, 386 feet long."

If further proof is wanted that the road in Feb. 1873 was not in a condition of a first-class road, we have it in a report from the President of the Company to the shareholders in 1875, in which it was stated that the permanent bridges were not completed till 1874. I think this ought to satisfy hon. gentlemen that the Union Pacific Railway, as it existed in 1873, is not a fit standard to be selected for the Canadian Pacific Railway. But we are told that the interest of the Syndicate will induce them to construct a first-class road. We are also told that we are fortunate in having secured these

gentlemen, as they have a very extensive experience in dealing with railways in the west. But, I ask what guarantee have we in this contract, that this Syndicate will of themselves build the road? What is to prevent their handing the contract over to Grit Syndicate No. 2, retaining in their own hands the difference in the two offers, viz: \$3,000,000 in cash and 3,000,000 acres of land? I think if anything should be taken on trust in this matter, it should be the promises of the Government and not that of the Syndicate. It must be plain to every hon. gentleman that the Minister of Railways and Canals in letting this contract was not aiming to secure a first-class road. I will read from *Hansard*, of December 14th, 1880, an extract from the speech of the Minister of Railways, as follows:—

"What would have been my position in demanding excessive terms in relation to the standard of the road, when they had in their hands my own statement, the statement of the Government of Canada, with all the resources of the country at our back, that we were compelled to lower the character of the road in order to construct a cheap line of railway?"

It must be well known that the Government have contracted with the Syndicate already for the construction of a portion of the Canadian Pacific. Section 6 of the contract says:

"Unless prevented by the Act of God, the Queen's enemies, intestine disturbances, epidemics, floods or other causes beyond the control of the Government, the Government shall cause to be completed the said Lake Superior section, by the dates fixed by the existing contracts for the construction thereof; and shall cause to be completed the portion of the said western section now under contract, namely, from Kamloops to Yale, within the period fixed by the contracts therefor, namely, by the thirtieth day of June, 1885; and shall also cause to be completed, on or before the first day of May, 1891, the remaining portion of the said western section, lying between Yale and Port Moody, which shall be constructed of equally good quality in every respect with the standard hereby created for the portion hereby contracted for. And the said Lake Superior section and the portions of the said western section now under contract, shall be completed as nearly as practicable according to the specifications and conditions of the contracts therefor except in so far as the same have been modified by the Government prior to the 21st day of October, 1880."

Now, as this is the first contract let by the Syndicate for the construction of any portion of the Canada Pacific Railway, it will only be necessary to determine its

character in order to decide what the interests of the company will lead them to do in dealing with other portions of the line. We find on referring to the report of Mr. Schriber, made since this contract was entered into, that the part of the road referred to in section 6 is to be an inferior road. In dealing with this question that gentleman says:

"In British Columbia the line follows the valleys of the Thompson and Fraser Rivers, passing along the steep mountain sides, so that the shifting of the line a few feet either to the right or to the left, increases or diminishes the work to be done very much."

Acting upon suggestions made by Mr. Fleming, he proceeds to say that by making an extremely careful study of the final location, by sharpening the curvature in some places, by using great judgment in adjusting the alignments to sinuosities and sudden and great irregularities of the ground, by substituting the cheaper classes of work for the more costly whenever it can safely be done, and by doing no work that is not absolutely necessary, a very marked reduction may be made. Mr. Schriber then proceeds to say:

"The engineers have given the final location great care and attention, and have exercised good judgment in fitting the line as far as practicable to the contour of the country which, combined with slightly sharpening a few of the curves and steepening some of the grades, has resulted in the reduced estimate of cost set forth in the statement referred to."

Now is it not plain that if the Syndicate really intended to build a first-class road, they would, in making this their first contract, have insisted upon a standard higher than laid down in the report which I have just read. It must be borne in mind that Mr. Fleming last year estimated this 125 miles of road to cost ten million dollars, and that on the basis of a road of any workable gradients with no costly bridges, and that this year Mr. Schriber has by the means suggested in his report still further reduced the estimate to about eight millions. While it is possible that the Syndicate may build a fairly good road through their own lands, say from Selkirk to Jasper, there is nothing in the contract to assure us that they will do more, west of Jasper and north of Lake Superior, than to earn their money and lands as easily as possible by building a line having steep grades and sharp curves, substituting trestle-work

for solid embankments and wooden bridges, built of any material available along the line. And as there is nothing in the contract to compel the running of the road for more than ten years after completion. It will be optional with the Syndicate at that time either to go on and replace the decaying structures with more permanent works or throw the two ends of the line in the hands of the Government retaining in their own hands the central or prairie section and operating in such a way as to develop their own lands and divert the traffic of the whole of that fertile region to St. Paul or elsewhere, that their interest may suggest. If a higher standard had been insisted upon, it would have ensured the building of a line of road which, in the event of its coming into the hands of the Government, would have given the Dominion something for the very large expenditure incurred. The advantages which a route over Canadian territory are known to possess over any line now built south of the boundary have been sacrificed in adopting as a standard a road on which it is known that grades of eighty and ninety feet to the mile do exist, while on the line surveyed through our territory, it would have been possible at a moderate cost, to have secured a line with no grades exceeding 26 feet per mile coming East, and forty feet per mile going West. Then we were told the standard was the same as that applied to the Allan contract. The provisions of the Allan contract were different from those in the present contract. It was known that the standard of construction, that is the Union Pacific, was only applied in a general way, and not as to grades and curves, which were to be as favorable as the nature of the country would permit, without undue expense. I therefore move in amendment, seconded by Mr. Weldon:

"That the contract respecting the Canadian Pacific Railway provides as a standard, whereby the quality and the character of the railway and of the material used in the construction thereof, and in the equipment thereof may be regulated, the Union Pacific Railway of the United States as the same was when first constructed."

"That by a letter, since laid on the Table, some members of the Syndicate have expressed their intention to abide by the standard of the Union Pacific Railway, as it was in February, 1873,—that this letter is not binding on the projected Company—that neither of the said

proposed standards are satisfactory—that there are objectionable details in the construction of the Union Pacific Railway—that the conformation of the ground on the route of the Canadian Pacific Railway admits of much better alignments and grades than those of the Union Pacific Railway—that this was recognized in the contract made by the Government with Sir Hugh Allan and others in 1873, which provided in this respect, that the Union Pacific Railway should not be the standard with respect to any minor details in its construction and working, which may be found objectionable, and with respect to its alignments and grades which should be as favorable as the nature of the country will admit without undue expenditure, that the contract and letter on the Table contain no such provision, and provides a standard lower than that of the Allan contract, unsuitable to the country and calculated to secure an inferior railway—that the condition of the Union Pacific Railway was very different when first constructed from its condition in February, 1873, and its present condition is also very different from its condition in February, 1873—that in order to apply its former condition as a standard for the Canadian Pacific Railway, it would be necessary to engage in an enquiry as to what its condition actually was many years ago. And this renders the proposed standard unsatisfactory, and that the contract is, in these respects, objectionable.”

HON MR LEWIN

January 14th, 1881.

Hon. Mr. LEWIN said: I have listened attentively to the various speeches which have been delivered on the subject of this Bill, expecting to hear various arguments and reasons given in favor of it. I have heard through those speeches from first to last, strong attacks upon the late Government; their forgetfulness, their misdoings, and their mistakes have been brought up in a variety of ways. We have even had again resuscitated the old steel rails, the purchase and delivery of which in British Columbia were only an evidence of Mr. Mackenzie's honest intention to carry out the construction of this road to the Pacific Ocean. We have had other reasons given for the various mistakes which the late Government have made with reference to this road, but I have felt sorry that these attacks upon the Government have been intermixed with a good deal of personalities, and several hon. gentlemen have referred to

my hon. friend the late Secretary of State. Certainly personalities at all times tend to degrade debate, and I think there are few gentlemen who give less cause for personalities, and who use less themselves, than my hon. friend from Ottawa, (Mr. Scott). One of the reasons given for the construction of this road has been the old bargain made with British Columbia ten years ago, that the road should be constructed within ten years. Hon. gentlemen, that was simply a mistake. This country could not by any possibility have constructed that road within ten years, and the bargain or contract which was then made was characterized certainly, to say the least of it, by a degree of recklessness which was to be regretted; and I fear that this present Bill now before the House is an arrangement something of the same spirit. I have listened, also, most attentively for some reasons or arguments to be deduced why the second offer, that of the Canadian Syndicate, has not been accepted. No gentleman up to the present has attempted to say that that offer was not a better one than the one which is embodied in this Bill. Besides, the amount of money and quantity of land being less, those very obnoxious restrictions and monopolies which are contained in this Bill were not in the second offer. What reasons have we heard against it? First of all, it was said it was a sham; it was not sincere; that they never intended to build this road, but that it was made for motives and reasons which have not been explained here; and it was denounced as a deception. Gentlemen, I think the names of those persons who are connected with this Canadian Syndicate are not shams. I have the honor to be acquainted with many of those gentlemen, and the others I know by reputation. It is well known that they are earnest and sincere men who through their long years in business have conducted themselves in a manner that has been to their own interest as well as advantageous to the country. One hon. gentleman observed that they had not the means of carrying out the offer; that they were deficient in property and capital. Why, hon. gentlemen, under this Bill a Syndicate would require but a very small amount of capital; they would have the Government as their banker at their back, and men of good reputation, men of

standing and character, men of business capacity, could undertake it, under sub-section D of this Act, without any more subscribed capital than \$5,000,000. The \$1,000,000 which the Government require as security was placed by the second Syndicate in the banks, ready to be handed over to the Government, and I have not the slightest doubt in my mind that the gentlemen who composed that Syndicate were perfectly in earnest, and that they intended, and would have carried on the work. With the endorsement of the Government, they had every possible advantage, under sub-section D, to enable them to do so. They had the lands, a large amount of lands, on which they had given a mortgage. These bonds would have been endorsed by the Government of the country, and there is no reason why they should not sell in any market as well as other bonds of the Dominion of Canada. The reason of the rejection of the second offer has not been given in any of the speeches that have been made. It has merely been asserted that the members of that Syndicate were not sincere. The public at large, especially in the Maritime Provinces have very often asked why the offer of the second Syndicate has not been accepted; but an answer has never been given. Now, there is another thing that strikes me with regard to this offer. If it is a beneficial one; if it is desirable to have this road built by a company and not by the Government, and there are many arguments that might be advanced in favor of it, why has not the whole road been put under contract? Why should the Government reserve a portion of the western end, which they construct themselves and finish also the eastern end, and take ten years to accomplish it? The Government controlling the building of those two sections is one of the objectionable features of this Bill which have been raised at various times. Objections have frequently been raised to governments constructing works of that nature; that it leads to corruption and jobbery; and various other charges have been made against governments carrying out public works of this magnitude. Had this given out the whole work to the Syndicate, it would have silenced that particular argument. A great deal has been said about building the road north of Lake

Superior. Various reasons have been given why the whole through route through British Territory should be constructed, not some future time when the country would be in a better position to do it, not at the present moment. Certainly it appears to me it was a hasty thing, and I cannot see any argument that has been deduced to show that the Sault route would not be the most desirable for the present at all events, whatever it may be in the future. It could be constructed at far less cost and, if constructed, it would secure a large amount of traffic, tapping as it would a territory that is productive, and which would give freight to sustain a railway. An argument has been used that emigrants would be attracted to American territory by the Sault route, and that they would remain there. The fact is, that the country which holds out the greatest inducements to emigrants will attract them. If our country has greater inducements they will go to our North-West; but, on the other hand, if the United States offer greater inducements they will go there, and by constructing a railway through a thousand of miles of desolate and barren country it will certainly not be rendered more attractive to emigrants from Europe. There is one other curious section—section 15—which prevents the construction of any road south of the Canadian Pacific Railway within fifteen miles of the United States boundary. Hon. gentlemen, use sometimes here in this House as a figure of speech that a Chinese wall is being raised. When people are speaking of hostile tariffs they say: "You are raising a Chinese wall to prevent intercourse with our neighbors; but it remains for this Act, practically and substantially, to erect a Chinese wall between the people in the North-West and their neighbors in the United States, and to say that a strip of land nearly 800 miles in length, and fifteen miles in width shall be left without railroad accommodation. It does seem to me to be an extraordinary piece of legislation. Probably, in a few years we will see this section quoted as a curiosity of legislation. People will ask in what school of political economy the legislators of this age had studied, when they kept a number of settlers in the North-West separated from their neighbors to the south, and deprived them of

that intercourse which would alleviate them of some of their sufferings, and assist them in forming their settlement. It is not my intention to go through the various arguments that have been used as to monopolies. They have been fully explained. Should that country become populated, and should it be formed into separate provinces, I believe that in passing this Bill we are simply sowing seeds of discontent and agitation for the future and possibly something more extreme among those people. I have merely risen for the purpose of expressing my views, as well as giving my vote against this Bill.

HON. MR. McCLELAN.

February 11th, 1881.

Hon. Mr. McCLELAN: I have listened with great attention to the speech just concluded by the hon. gentleman opposite. With some of his views I feel that I can hardly agree. He remarked that this highway, if built by the Syndicate, would be an excellent road, but if built by the Government would be a very inferior one. Though not specially favorable to Government construction of public works, I believe the standard which has been adopted for this railway is very inferior indeed, and greatly more so than that applied to government railways. The hon. gentleman, also in his opening remarks made the observation that if the Government had proposed to submit this offer to the people of Canada he would feel compelled to vote against that proposition.

Hon. Mr. DEBOUCHERVILLE: I said that the Government had been found fault with for not having put the details of this measure before the people, and that, far from blaming the Government for this, I would have blamed them if they had published the details to the country before submitting them to Parliament.

Hon. Mr. McCLELAN: I understood the hon. gentleman to say something like what he now explains—that he would

not approve of submitting the details of this measure to the people before the meeting of Parliament. I think that doctrine is scarcely consonant with the appeal which he made in concluding his speech—that we should so record our speeches and votes in this Chamber that we should not be ashamed of them in the future. If ever there was a question on which the popular feeling should be in some way tested, I think it is this, which so largely involves the future welfare of the Dominion. I think so all the more because it was not a question which was uppermost at the last general election. It has been reiterated here again and again that the appeal on that occasion was on the subject of our trade policy, and the expression of the people was mainly indicative of their feeling on that great question. If that be so (and I am quoting the opinions expressed by hon. gentlemen opposite) this railway question could not have been one on which they expressed any opinion or gave any decision. Therefore, if ever a question was presented to Parliament without an opportunity of testing the popular sentiment upon it, that question is this, one, which involves such tremendous interests for all future time, and which possibly cannot again be affected by popular action. The hon. Senator from Amherst (Mr. Dickey), in his speech this afternoon, made the striking observation that the objection that this company would have a monopoly of the traffic could not be sustained because on the northern side of the line this Syndicate would not get the whole country—that they were not to be told, I suppose, like the patriarch of old to look northward, southward, eastward and westward—this whole land should be theirs and their assigns for ever. The hon. gentleman spoke of a rival line on the north shore of Lake Superior, and the hon. gentleman who has just taken his seat, and who spoke so well on this subject has also alluded to facilities for providing a rival line. They seem to forget their other expressions that it requires a very large subsidy to build a line through that part of the country at all. That has been their argument; how, then, could there be competition? Did hon. gentlemen think that the Government of this country in their beneficence, will, after building this great highway, contribute, within the

next century, to the building of a completing route! If not, then how can we have a competing line on the north shore of Lake Superior or, as another hon. gentleman put it, by a divergence to Ontario? I think that the idea of a rival line competing with this monopoly cannot for a moment impress itself on our minds. But we are reminded that there are already south of our frontier competing lines for the traffic of China and Japan, and that tolls will be regulated very much by those rival roads. Hon. gentlemen who speak in that way are attempting to rebut an argument that has not been much dwelt on in this Chamber. The danger is that this Company may impose high rates on local traffic and retard the growth and progress of that country, the rapid settlement of which we would endeavor to facilitate by every proper means. The Government can afford these settlers very little protection because, if I understand the powers given to the Syndicate, the Company will largely control the Government, and not the Government the Company, and the same evils as exist and which afflict the settlers upon the prairies of the Western States will afflict these immigrants—these friends and countrymen of my hon. friend from Toronto (Mr. Smith)—whom he hopes to get in there, and tax to the extent of 30 per cent. for everything they require to purchase. They will find after leaving free Britain, where the necessities of life are untaxed, crossing the wide ocean, and travelling through the Dominion to the North-West, paying when they get there 30 per cent. on what they consume, and then handed over to the tender mercies of this soulless corporation, that their lot will be a hard one, and I shall commiserate the friends of the hon. gentleman when they are afflicted by the exactions of this monopoly. To show the inconsistency of the hon. gentlemen who support this measure, and the difficulty they experience in finding statements to gild their sophistries, they tell us of their hopes of rival lines in the future, and then that this great railway cannot possibly pay expenses for many years, and that it is necessary, therefore, to grant the Syndicate these advantages and immunities. Hon. gentlemen must certainly see the contradictory character of these arguments, and consequently the weakness

of their case. They say that it is a great relief to the country to know that this matter is settled and the responsibility of the undertaking assumed by a company. I have not so understood the bargain which has been presented for our acceptance. I am rather inclined to think that the Government will have to keep up the same expensive staff, including also the Commission of Inquiry appointed by themselves to judge their own misconduct. If the hon. gentlemen are right in taking this line of argument, then the whole road should have been handed over to the Company. This hybrid policy can hardly suit their fancy. If they were not experienced politicians and well skilled in parliamentary warfare, I should be inclined to exclaim of them:

“O, what a tangled web we weave
When first we practice to deceive.”

This is a question of such importance that perhaps it would scarcely be thought that I was doing my duty, (though not exactly physically in a condition to make many observations) if I do not give a few of my reasons for opposing this Bill. Reverting to the original basis of all the trouble through which we have come,—the union with British Columbia,—I remember well many of the expressions used by hon. gentlemen in this Chamber when that measure was before us in 1871. For myself, I voted against it, not that I was wanting in harmony with the sentiment of union, or the ultimate connection by rail, but I objected to that measure because it involved an impossibility—the construction of a trans-continental railway within a limited period. I felt that the attempt to carry out that agreement would lead to a great deal of difficulty in this country, and possibly a great deal of embarrassment to several successive governments. I think the views which were entertained by those with whom I co-operated on that occasion have been tolerably well realized, and if I were to recall the prophecies of those who supported that measure, I think it would be admitted that they have not been fulfilled to the letter. I remember one hon. gentleman predicting that in ten years from that date the population of the Dominion would be at least 7,000,000. The census of 1881 has not been taken yet, but no one is so sanguine as to suppose that

there has been any such increase. I remember a very highly respected Senator, subsequently one of the Quebec Judges, and now no more, objected to that arrangement at the time, on the ground that the disproportionate representation given to British Columbia was unfair to the older provinces, whose representation in the House of Commons was based upon their actual population. This was replied to, if I remember rightly, by the hon. gentleman who so ably leads the Government in this House, that all this would cure itself—that in ten years there would be people enough in British Columbia to justify that large representation. That prophecy also has not been fulfilled. There has been nothing to indicate anything like a reasonable fulfilment of those prophecies. I notice all through this discussion, not only here, but in another place, that when hon. gentlemen have a weak case which they cannot present fairly and squarely for the acceptance of the people of Canada, they will either adopt the legal apophorism, “no case, abuse the other side,” or they will take upon themselves the mantle of prophecy and tell us that something is going to arise that will justify all their measures and redeem them in the minds of the people. These prophets were evidently inspired from a wrong source, and it is sometimes well to revert back to some of those predictions and call attention to the fact that, they have not been verified in any shape or form, and show how unwise it is to base arguments upon such visionary calculations as to the future. As I said before, I was not opposed to the union with British Columbia. I have a very keen appreciation—nobody could have anything else—of the delightful and salubrious climate of the Pacific Coast, after hearing the eloquent speech of the hon. Senator from Ashcroft. I have always felt there was a country there with which we should not object to be united on fair terms. With its pleasant climate it also possesses plenty of coal, a good deal of pastoral land, and, as the hon. gentleman told us the other day, there are fur-bearing animals in the mountains that are going to add very much to the traffic of the Canadian Pacific Railway, but, somehow or other, that Province fails to attract settlers. And, could that question of

union, with all its contingencies, be again submitted to us for our ratification, few of us would be inclined to put our hands to such an obligation as that was. The next measure which came before us, and of which a good deal has been said, was the Esquimalt and Nanaimo Railway Bill. It was found impracticable to go on with the through line without increasing taxation; and when that question of building the railway within a certain time was first discussed in this House and some hon. gentlemen objected to the impropriety of it as likely to entail a good deal of taxation upon the people of this country, we were told repeatedly that a certain resolution had passed which was like a codicil to a will,—which affected and controlled all action under the Statute. This resolution of the people's House, reaffirmed there on several occasions, provided that the Pacific Railway should not be constructed more rapidly than the resources of the country justified, and above all things—the general taxation of the people would not be increased by it in any way. The people were told by Ministers of the Crown that this resolution changed the whole force of the Act of Union, and left it completely in the hands of Parliament, and completely in the hands of the taxpayers of the Dominion to regulate. That one was passed contemporaneously with the other, and I believe it has been approved by the several Parliaments that no further progress should be made with this work than would be consistent with the present rate of taxation—or, in other words, that the taxation of the country should not be increased. As a consequence, shortly afterwards, a great deal of bad feeling arose in that western Province because of the delay in proceeding with this undertaking, and that the people and the Government were putting, perhaps, more stress upon the resolution than they were upon the Statute. Hence the introduction of the Bill for the construction of the Nanaimo and Esquimalt Railway. That proposition was submitted to this Chamber. It had been forced upon the Mackenzie Administration as a compromise measure by the terms of the Arbitration—at all events, it was the award of Lord Carnarvon, and it was submitted to Parliament for ratification. I remember the discussion that took place

in this House upon that measure; I remember that although the Vancouver Island measure had been the cherished offspring of the Conservative Government, and that in 1872 they had, in their Council Chamber, made a Minute of Council for the construction of that road, yet, when the Bill to authorize its construction, under the award of Lord Carnarvon, was submitted to Parliament, supported by all the strength and influence of the Ministry, the Conservative party who had initiated that scheme, rose up in this Chamber and defeated the measure. I was astonished at the remarks of my hon. friend from British Columbia (Mr. Cornwall) the other day, when he charged the ex-Secretary of State (Mr. Scott) with having acted a traitorous part in stating his change of views, when he expressed no other opinion than Lord Dufferin had himself expressed during his mission to British Columbia—that the Senate were correct, and that it would have been impossible for any Government to have subsequently introduced and carried through Parliament a Bill for the construction of the Esquimalt and Nanaimo Railway—even as far as that measure had been carried. Private conversations of other hon. members with the late Governor-General might, perhaps, be referred to on this subject, if it were consistent with parliamentary good taste to do so, but we find the late Governor-General completely justifying the course taken by the late Government in this matter. In his celebrated and eloquent speech in Victoria, he said:—

“Well, I have learned with regret that there is a very widespread conviction in this community that Mr. Mackenzie had surreptitiously procured the defeat of his own measure in the Upper House.

I tell you in the most emphatic terms, and I pledge my honor on the point, that Mr. Mackenzie was not guilty of any such base and deceitful conduct. Had I thought him guilty of it either he would have ceased to be Prime Minister, or I should have left the country. But the very contrary was the fact. While these events were passing, I was in constant personal communication with Mr. Mackenzie.

When the Bill had passed the Commons by a large majority with the assent of the leader of the Opposition, in common with every one else, concluded it was safe, and the adverse vote of the Senate took me as much by surprise, as it did you and the rest of the world. I saw Mr. Mackenzie the next day, and I have seldom seen a man more annoyed and

disconcerted than he was; indeed, he was driven at that interview to protest with more warmth than he has ever used against the decision of the English Government, which had refused on the opinion of the law officers of the Crown, to allow him to add to the members of the Senate, after Prince Edward Island had entered Confederation. ‘Had I been permitted,’ he said to me, ‘to have exercised my rights in that respect this would not have happened, but how can these mischances be prevented in a body, the majority of which, having been nominated by my political opponent, is naturally hostile to me,’ etc., etc., etc.

In another part of that speech we find these remarks:—

“I believe the Pacific Railway has no better friend in Canada than Mr. Mackenzie, and that he was only opposed to the time terms in the bargain, because he believed them impossible of accomplishment, and that a conscientious endeavor to fulfil them would unnecessarily and ruinously increase the financial expenditure of the country, and in both these opinions Mr. Mackenzie was undoubtedly right.”

If the hon. gentleman had any complaint to make against the action of the Canadian Senate, I am sure he ought not to allow his censure to rest upon the hon. member for Ottawa, or upon the late Government. It is well known that the late Administration were not influential in this Chamber. It was one of the difficulties that beset the legislation of that Government. As far as I am myself concerned I had the privilege of voting against that measure, and I can assure my hon. friend that I was not prompted to do so in any way by the Government. On the other hand, I was urged by one or two members of the Government to support that measure, because they had gone into it under the Carnarvon terms, and it was desirable that it should pass. I could not, however, with my ideas of propriety and consistency support that Bill, showing that I had not taken a party view of the question, and I trust the present Government will not revive that absurd idea of an Esquimalt terminus, however much it might prevent a Russo-American invasion, which another hon. gentleman from British Columbia seems to dread. Now, as to the rate of progress which, in my opinion, would have been desirable after that Act of Union, and the resolutions as an instruction and agreement had passed, the rate of progress which it then became the duty of this country to proceed with became another question. We had to bow to the inevitable, and while I

was of the opinion that it was not desirable to commit this country to such a stupendous work within so limited a period before we had the population and resources which would justify us in doing so, yet I was in the minority, and when Parliament said that it was desirable to go on with the construction of the Canadian Pacific Railway with a view to the carrying out of those terms, I saw the impossibility of the undertaking so far as keeping faith with British Columbia under the Act was concerned, and so far as we could do it within the resolution that had been contemptuously passed. It has been contended I think, by public men on both sides, that the eastern section of this road constituted no part of that undertaking. British Columbia had no particular interest, so long as the line was built through the Rocky Mountains, whether the line went north of Lake Superior or south of Lake Superior; that would be a matter of minor consideration. The main object which they desired to attain, I presume, was to have communication through the Rocky Mountains with the American and Canadian system of railways. Therefore, I do not think it was at all necessary for the keeping of good faith with British Columbia that this line in its entirety should be embraced in one general scheme. And looking at the fertility of the western prairies—if they are as rich as they are represented in this country and in the world; as they are represented in the Old Country by our High Commissioner, who said it would be his endeavor to so direct immigration, etc., as to make Canada a kind of “auxiliary kingdom”—instead of adopting a policy of obstruction it would be better to allow that prairie country to almost take care of itself. If that course were adopted in the North-West; if it was not interfered with by such a monopoly as this, it would develop into a great and prosperous country. I have no doubt that the soil is all it is represented to be, and now that its fertility and advantages have been advertised the world over, it will be settled with great rapidity and covered by a network of railways, provided we do not interfere or obstruct by any act of our own. Already we see the growth of settlement; already we see applications to Parliament from people in the North-West for acts of incorporation

for companies of different kinds, and the only thing to be done to develop that country is for the Government to subsidize a line in such a way as to preserve its directness and continuity, and it would eventually be carried through to the Pacific Coast. In that way the line through the Rocky Mountains could be deferred for some years until the population required it. Of course the through line is one of the ultimate objects we would all like to see attained. The events of 1872 and 1874 have been thoroughly discussed by other hon. gentlemen, and I cannot throw much more light upon those points. Comparisons have been made between this offer and the offer of the Allan Company, and the offers made under the Mackenzie Administration. In my judgment, no comparison can be drawn that will not be misleading to most of the people of this country. We know that five or six years make a great, a vast difference in the circumstances of any country, particularly in this new western hemisphere where everything is moving on with such an accelerated ratio of speed. We know that the art of railway building is being wonderfully improved and cheapened by modern inventive appliances, and the substitution of steam for manual labor. The hon. leader of the Senate, in opening this debate, spoke of the cost of railways in the United States built under the old inflated greenback system years ago. He spoke also of the expense incurred in the construction of the Grand Trunk and other railways, where fortunes and high positions were secured by contractors. But there are railways being built now through countries much more difficult than the 900 miles west of Winnipeg at a very much lower rate than the average mentioned by the hon. gentleman. The employment of steam and other improved facilities in place of the old fashioned pick and shovel have simplified construction work, and reduced the expenses to a wonderful extent. When the Allan contract was entered into there was no railway communication with the North-West, and access for the transportation of material and labor was very difficult, so that hon. gentlemen who are at all acquainted with railway work will at once see what a difference it would make in the expense of constructing a road in that country at a time when there was none

of the excellent facilities which exist today. Then there is the increased value of the lands of that country, in consequence of the amount of money that we have expended on it. Hundreds of thousands of dollars have been expended to extinguish the Indian title, to maintain Mounted Police, and promote settlement—altogether changing the aspect of affairs from what it was a few years ago, and disturbing the accuracy of the comparisons instituted by hon. gentlemen who favor this Syndicate. Another disturbing element in those comparisons is the condition of the money markets of the world. Hon. gentlemen who are in the habit of studying the financial columns of the newspapers of the United States, must be aware that in Wall street and other commercial centres, there is now a vast superabundance of capital awaiting investments—profitable investments, of course—if they can be found. Money is abundant and can be obtained on easy terms. This is a condition of affairs that did not exist a few years ago. Things have all been changed—the whole character and condition of affairs—therefore, I say that the comparisons that have been instituted between the efforts that are being made to build this road now, and the efforts that were initiated a few years ago, are not, and cannot be at all accurate, and are necessarily misleading in many respects. Then again, several gentlemen who have spoken on those different schemes and offers seem to have forgotten that previous offers and schemes were for the construction of the whole line. They were not for the easier parts of the railway alone, for which this hybrid arrangement provides we shall give \$25,000,000 and 25,000,000 acres of land, and all those other advantages I have alluded to. The arguments of hon. gentlemen opposite would have very much more force when they undertake to tell us that it is vastly important that the Government should get rid of this work because governments are extravagant, and it has been the experience of the past that their estimates are always incorrect,—if this contract included the whole line. I have no doubt that there is a great deal of truth in those observations, and that the final cost of the unfinished portions of the Pacific Railway which the Government are bound to complete, will be very

much more than was originally estimated, when they are finished and handed over to this company ready for use. I do not know that it is necessary for me to refer in any degree to the manner of making the contract. It has been stated by my hon. friend the Minister of Inland Revenue, in his very moderate, and in some respects, good speech of last evening, that there was a reasonable basis for tendering, and it was open for the gentlemen of the second Syndicate to have made an offer if they had thought proper to do so; and it was stated by him, and was stated by others, that the speech of the right hon. leader of the Government at Bath, was of sufficient importance to excite the attention of capitalists, and induce them to tender if they were willing to undertake this work. I wonder if those hon. gentlemen who for five years were so critical of the acts of the late Government, and very properly struck committees, and used their time and talents to discover defective administration, and to obtain information that might be used, and was used in a distorted form in the election campaigns, would have accepted (when a question came up as to the letting of a public contract by tender) a speech of Mr. Mackenzie's at a party picnic—or a club dinner—as being a sufficient notification to contractors even for the most trifling public work! I remember well on one occasion of that kind, when hon. gentlemen who were acting presumably on behalf of the people in trying to discover some extravagance—some awful extravagance—that was committed by the late Administration, the objection was taken that the advertisements calling for tenders had not appeared in a *sufficient number of newspapers* to justify the contract; that, therefore, it was a waste of public money, and that, consequently some favoritism about it might be inferred. The notices had been published in the newspapers, still those hon. gentlemen were so sensitive about the public welfare—so anxious to protect the people's money, that even in this comparatively trifling transaction they found fault because a still greater publicity had not been given to it in order that men of capital in Canada should have the very fullest opportunity to come forward and tender. But all this seems to be changed, and a picnic speech at Bath, a speech to the Jacques Cartier club, or any little inci-

dental expression of that kind, is now considered by hon. gentlemen opposite to be sufficient to justify the offering and the acceptance of a tender involving an expenditure of millions of public money, and as taking away from the transaction that appearance of secrecy in which many people feel that it has been enshrouded. This tender involves, not a matter of trifling importance, it involves \$60,000,000 or its equivalent. My judgment may be very wrong, but I am not convinced by the arguments I have heard on this question from hon. gentlemen who are usually very clear and logical in their remarks. I have failed to be convinced that there was any proper basis given upon which the public could be apprised of the intentions of the Government. On the contrary, was the country rather led to believe that this work was to be a public work; that it was to be a work undertaken and controlled by the Government. A good deal has been said about the monopoly, and the hon. gentleman from Quebec (I am sure he will excuse me for making reference to him so often, but it is because he spoke last, and his observations are more distinctly in my mind) or the hon. gentleman from Cumberland, said that objection was taken to this Syndicate because it was open to them to transfer their rights to an American Company; and one of these hon. gentlemen said, for his part, that he would be very glad if they would, as it would lead to the introduction of American capital into this country. There may be a difference of opinion as to that. There is a very great difference of opinion as to the amount of capital that may be required to be brought into the country by the Syndicate. I think that a great many intelligent people in this country will come to the conclusion that this Syndicate, to construct this great work under the terms and conditions that are provided for them will not require to import very much capital into the country. Let hon. gentlemen consider for a moment the conditions on which this Company are to take the first hundred miles west of Winnipeg that are already built (except some four or five miles) and already equipped to a larger proportional extent than the whole line will require, and if I am not wrong in my conclusions, they will find that this Syndicate is to get that

road partially equipped and finished in a good style—better, I think, than the Union Pacific Railway was *when it was first constructed—with all due deference* to my hon. friend, who says that government railways are never well built, although he has the Intercolonial Railway before him as an example of a well built road constructed by the Government—they will get the best paying section freed from taxation handed over to them for nothing, and a bonus of one and a quarter millions of acres of choice land to induce them to accept and run it! It is admitted on all sides that this is the best paying portion of the line, yet the Government kindly hand it over to them freed from taxation for all time to come, and give them a bonus of 1,250,000 acres of land to help them to go on with other works. Some hon. gentleman who preceded me in this debate spoke about railway monopolies, and said he was not afraid of them. We have not been much afflicted with monopolies in Canada. There are monopolies growing up around us now arising out of the ruinous and anti-British trade policy that has been adopted, but they are monopolies of a minor description compared with this. We have all read of the railway monopolies of the Western States. Many of us have had the advantage of listening to eminent American statesmen upon this point, and some of them have discussed the dangers which naturally threaten the great Republic which has risen so wonderfully on this western hemisphere. They feel that the acquisition or concentration of great wealth, which sometimes is noticed in older countries, governed by monarchical institutions, is not likely to become a source of difficulty in the United States, because that wealth cannot accumulate from hereditary entail, or right of primogeniture which does not exist in the Republic, and wealth acquired through legitimate commerce will not become a danger to the State, because it is a matter of observation that in two or three generations that wealth becomes scattered and divided; but among all the dangers which they count upon as likely to afflict that country, they look upon railway corporations as the most serious, because they are bodies without souls—because they never die—because they have the power of concentration, the power of pur-

chase and assignment, and they may go on and draw the whole under one control, and then have it in their power to make or unmake villages and towns. They have it in their power to carry freight at such rates as they think the country will bear, and keep the farmers and grain growers in poverty. That is the danger, but it is not the danger to the carrying trade alone that is to be feared, but it is the wonderful political power which they possess—a power which they exercise throughout all the ramifications of society and which they can bring to bear, if they choose to do so, even upon the Government of the country. And if that is an evil which American statesmen are wont to deplore in a country of such illimitable resources—a country with 50,000,000 of people—how much more likely is a monopoly, such as this is, to be an evil in this country with its population of some 4,250,000 and without anything like the resources that our neighbours possess. And, therefore, I think that the Government have acted unwisely in concentrating such power in the hands of this Syndicate of gentlemen, with whom, I may say, I am not acquainted personally, and of whom I would not say one word of disfavor. I have no doubt the eulogiums passed on them are merited. I suppose they are men of wealth, and that they have acquired a good deal of that wealth in the country. They are probably “all honorable men.” Some hon. gentlemen said we are even under obligations to them for their magnanimity in coming forward to make this bargain. I am not disposed even to dissent from that. I am one of those who have the opinion that if these gentlemen had instructed their attorneys to put \$10,000,000 more in the bond it would be put there, and all of us, therefore, may feel a degree of thankfulness to that Syndicate that they did not take more. Now, the selection of lands has been referred to, and I think the hon. Minister of Inland Revenue in his remarks stated that the Syndicate had no option in the selection of the lands, that they must take their lots as they come to them; but if I read the bargain correctly, there is a considerable proportion of lands which they may decline to take and select others instead. They have the control of the route of the railway between far distant points. This,

when one comes to consider it in connection with their choice of lands and right of selection, is a privilege that is no mean consideration. In addition to the wheat growing lands, they can also select mining lands, and will have very considerable control over the development of the resources of that country. Then, as I understand it, if the two ends should not pay, they may be finally abandoned. The Company can first build the prairie section, for which they have a larger proportionate subsidy than for the other sections. Why the Government fixed it that way it is hard to say, but I suppose it is because the Syndicate thought it was more in their interest that it should be so. If they build an inferior road sufficient for ten years' limit, and it is found that those sections are not at all profitable, they may abandon them. Then I object to the lack of any power on the part of the Government to regulate the manner in which the road should be managed. I suppose they thought the Syndicate would have considered such a suggestion presumptuous, and so it was not offered. Now, with reference to the Sault line, the importance of taking emigrants to the North-West through our own territory is another branch of the question. The 650 miles north of Lake Superior, as I am informed, is without a human inhabitant. Some writer, who thinks that it would be as well, perhaps, to leave that section for the present, because it is not really needed for commercial purposes, suggests that the inhabitants in that country should build the road themselves. I would not go so far as that. If we had greater financial resources; if we were not increasing the taxes of the people; if we were not departing more and more from the well understood basis on which the Provinces entered this Union; if our debt *per capita* was not as large as that of our neighbors, I might be more willing to join in that cry of Canadian jingoism, or whatever it might be called, which impels us to go to the north pole in order to escape mingling in any way with our American cousins. Speaking of the Intercolonial Railway, we all know that a certain gentleman, a former member of the Conservative Cabinet—a gentleman I have esteemed very much for his abilities ever since I came to this Canadian Parliament—a gentleman of considerable versa-

it in connection with the wheat and right at is no mean to the wheat select mining considerable of the re- men, as I un- should not y abandoned. l the prairie e a larger pro- for the other iment fixed it I suppose it is ht it was more ld be so. If sufficient for and that those ble, they may ect to the lack f the Govern- mer in which . I suppose e would have prassumptions, Now, with the importance e North-West y is another he 650 miles. am informed, itant. Some would be as t section for really needed ggests that the should build ld not go so- ater financial ncreasing the were not de- om the well he Provinces- bt per capita ur neighbors, join in that r whatever it s us to go to escape ming- ar American Intercolonial at a certain of the Com- man I have abilities ever dian Parlia- erable versa-

tility of talent, as members on both sides will vouch for—once stated that the route selected for that road was equal to throwing \$8,000,000 into the sea. But it was not only \$8,000,000 that was lost to the country; there was something more. The shorter route would have provided greater facilities for establishing a winter port in Halifax. It would have enhanced one-third more our prospects of making St. John a winter shipping port. I have no doubt the Minister of Railways is anxious to make the Intercolonial Railway pay running expenses, but after all his efforts, and with the large amount of business and travel over it (including the Sunday traffic), there was a loss last year of nearly \$100,000 in working the line. That being the case, and looking to the probability of the opening up of one, if not two shorter lines to the eastern seaboard, I conclude that the money which has actually been thrown away might be very safely put at thirty or forty millions. Well, now, if we have lost so much as that by constructing the Intercolonial Railway by a route which is non-commercial, and the advocacy of which was based very much upon its military usefulness, how many more millions does any gentleman suppose we will lose by building the 650 miles of road north of Lake Superior, where there are no settlements, and where none can possibly exist for many years to come! To show the straits to which hon. members in their zeal have been driven in their advocacy of this Syndicate, and to show the fears disturbing their minds that the people of Canada will take a view different from that which the majority in these two Houses of Parliament will take, we find an hon. gentleman holding out the prospect of a rebellion in Nova Scotia if the exemption of this Company's lands from taxation be not granted—that actually it would be so distasteful to the people of Nova Scotia that it would result in an uprising! The amount estimated by one hon. gentleman that the Syndicate will save from the exemption clauses is \$20,000,000, and he argues very ingeniously, and I give him credit for a great deal of genius in sugar coating this pill, that if the Syndicate's property had been made subject to taxation, the Government of Canada would have to contribute that much more to the building of the

road, and, therefore, these exemptions are a relief to Nova Scotia! I do not think I need discuss that argument very far. We are not here arguing in that line. We are here discussing whether we are giving this Company too much power, lands and money, and at all events, too many privileges and immunities. It is not so much as to what the effect of requiring them to pay the taxes, will be, as to compare the offers of the two Syndicates, and that is a branch of the subject which I have not yet reached. While the second Syndicate are willing to build the road for \$3,000,000 and 3,000,000 acres less, which may be estimated at \$9,000,000 in money, they are willing also to relieve the Government and the country from many of the immunities and privileges contained in this contract. Therefore, I think it would be very difficult for any honorable gentleman to show the country that there is any saving effected by exempting the Company's property from taxation. It is merely a boon to the Company. Then, we hear a great deal from day to day as to loyalty to the British Crown, and one would think that the Conservative party of this country holds, except in some memorable epochs of the country's history, a monopoly of that virtue. But, when arguments are scarce, and when abuse of the other side becomes nauseous and tiresome, and prophecies fail to impress, this is a very fertile subject to dwell upon. Now, any hon. gentleman who has noted the current of events which have been taking place in all the older countries of the world, will discover that although the people have been born, cradled and brought up under the regime of the old feudal system, and are, therefore, more or less accustomed to it from their infancy, yet in Russia, Germany, France, and even in fair Erin herself, there grows up among the poor people a feeling that the concentration of wealth, monopolies and power, is objectionable and harmful, and should not be tolerated. I am not prepared to say one word in favor of the many isms which are afflicting many governments of the world. Quite the contrary, I am only speaking of facts and saying we may as well take a glance at the history of other countries in working out legislation for the people of the Dominion. Canadians are a free people. They enjoy equal rights, and while this

dissatisfaction exists in other and older countries, we have had no cause for dissatisfaction here; but if the afflictions which have brought about that state of things which I have enumerated, and which often culminate so disastrously, are to be visited upon this fair Canada of ours, it is uncertain how soon equal discontent may prevail within our borders, and the people will feel that the burdens which are being placed upon them are in violation of distinct pledges, and are greater than they can bear. "But as to the land," says some hon. gentleman, "it is only a small patch comparatively," and maps and diagrams are displayed. It is greater than all the cultivated area of England; greater than all the improved land in the five old Provinces of Canada; more than double the improved area of six New England States, and yet, in the eyes of some, it seems a very small portion of territory? The worst feature, however, is that practically the Syndicate can control a large portion of the other lands not conveyed to them. The debt of Canada is now not far short of \$160,000,000, or \$40 per head of the population. The United States, with their 50,000,000 people, have reduced their debt to \$38 per head, after one of the most expensive wars on record. They have limitless resources within themselves, and a stream of immigration averaging nearly 500,000 a year, and many of them are, during the last year or two, Canadians. At the present rate of change our debt will, in a few years double that of the United States *per capita*, and yet, with these things staring us in the face, we are asked to add immensely to debt without receiving any commensurate returns, and all this professedly in the interests of loyalty and patriotism! Build up wealthy monopolies to sap the vitals of the country, make the poor poorer, and the rich richer, and you will need an outlay of another \$100,000 a year to draw in foreigners enough to make up for the exodus of our natives. Can it be supposed that the descendants of the hardy pioneers of the Eastern Provinces, who were not favored with a fertile soil, but who carved out a livelihood from scanty resources—and without extraneous aid—will now willingly submit to be unduly taxed to support modern appliances for the western prairies or the Pacific slope,

where nature has been represented to be so profuse in her beneficence? How can this be expected, especially—if their money goes to fill the coffers of an American Syndicate, which is clothed with extraordinary power and bound by no law sufficient to protect the settlers or advance the country—after buying out an English company and expending large annual sums, deliver all up to a possible foreign company with a bonus of \$25,000,000 and all the railways available? It will be difficult to make the people even of Nova Scotia, who were improperly, as I think, drawn into this Confederation without first being consulted at the polls, feel that while they were retained in the Confederation only by getting equal to about \$2,000,000 on what is called "better terms," and thus induced to work harmoniously with the other members of the Confederation, they are now required to part with a much larger sum without being consulted. It will certainly be a strange anomaly if, at this time, without being directly conferred with, as to this important question, they be willing to part with five or six millions of dollars to be expended in subsidizing a foreign Syndicate, and in the canons of the Rocky Mountains. They will be unwilling to admit that they are lineal descendants of Issachar to crouch down between these burdens without at least making a solemn protest.

Hon. Mr. MILLER: My hon. friend will recollect the terms of Union with British Columbia passed Parliament in 1871, and in the election which followed in 1872 the Province of Nova Scotia ratified by a large majority the action of its representatives, by supporting the Government of Sir John Macdonald.

Hon. Mr. McCLELAN: The point I was going to make is, that the construction of this great work under the Syndicate would impose a very large local burden on the people, which I think may be considered somewhat objectionable to them, and I come to this conclusion from the knowledge which we all must have, that even with the better terms which Nova Scotia obtained, it is clamoring now for the best terms, to use the adjective in the proper order of comparison. It is the fashion in financial straits and difficulties to establish a Syndicate, and, I am

ented to be
How can
—if their
ers of an
is clothed
l bound by
settlers or
rying out an
ading large
o a possible
bonus of
ways avail-
o make the
ho were im-
into this
ing consult-
e they were
on only by
000,000 on
," and thus
ly with the
ration, they
with a much
ulted. It
omaly if, at
irectly con-
nant question,
a five or six
nded in sub-
and in the
ains. They
hat they are
er to crouch
without at

hon. friend
Union with
liament in
ch followed
Nova Scotia
e action of
orting the
donald.

The point I
construction
e Syndicate
ocal burden
ok may be
ionable to
elusion from
must have,
which Nova
g now for
ective in the
It is the
difficulties
and, I am

credibly informed, they are about to form a miniature Syndicate in Nova Scotia in order to replenish a depleted treasury. That being the case, I am justified in making the observation that on any question which involves so largely the taxation of the people, it would be only wise, and subservient to popular rights, to give the people an opportunity to pronounce upon the question. I would not refer specially to New Brunswick; but at the time of Confederation, leading statesmen gravely told the New Brunswick people that the tariff would never exceed 15 per cent., and a reduction to 12½ per cent. was more than likely; That \$2.75 *per capita* would be the highest limit of taxation for revenue purposes. I am very, very sorry, to be compelled to acknowledge that a great and oppressive "re-adjustment" has taken place since that period, and these pledges have been found void of all sincerity, and are deliberately and ignominiously broken. Six dollars per head is now within the mark, under a tariff which is tending to depopulate the country even in these prosperous times. Under such circumstances, it cannot reasonably be expected that New Brunswick will be grateful to this Government for adding this useless additional burthen. That Province may, however, derive some indirect advantage from the wealth of individuals of this Syndicate, united with local enterprise, in furtherance of opening up a short commercial route to St. John, and hasten the making of that city a place of winter shipment, though a still shorter route cannot long be delayed. Now, as regards the second company, a good deal has been said with reference to the men who compose it. The hardest assertion that I heard made against the first Syndicate was, that if the second company should get the contract, their rivals would be revengeful and cripple their resources; that is brought forward as an argument why the second offer should not be considered, and that is the only thing I have heard that was disrespectful to Syndicate No. 1; and I do not believe that anything of the kind would take place. But as regards the second Syndicate, a considerable number of expressions have been used that might not be considered the most respectful, and Bradstreet has been quoted to bring some-

thing against their financial standing. Now, I happen to know one of those gentlemen. He has not been always in political accord with myself, but as one who has worked his way from very humble beginnings by the energy of his character, I can speak of him in nothing else but words of praise. He is not only a gentleman of great wealth, whatever others may say about him, but a gentleman of extraordinary enterprise, munificence and charity, who is doing very much for the Province in which he lives. I am sorry, therefore, that he is represented as a sort of eleemosynary, deriving what money he has from the gentlemen of the first Syndicate, and that, therefore, the second company derive their backbone from the first. I would infer from that statement that the Syndicate has lost its backbone altogether. With reference to the gentlemen who made the second offer, they have given a better guarantee than was required. The Government stipulated for \$1,000,000; the second company deposited \$1,400,000. It is easy to understand that they have not deposited that money as a sham—that they intend it to be a guarantee for this work if they should be negotiated with and treated as such a body of gentlemen might reasonably expect, and therefore, I think the observations which have been made about them would have been better unsaid. I do not know personally the standing and character of these gentlemen, but I know the reputation of many of them. If Bradstreet is to be taken as gauging the character of gentlemen with whom the Government are to negotiate, it would be difficult perhaps to find the standing of the gentlemen composing the first Syndicate, for I think some of them are not rated at all, and, therefore, having no rating in Bradstreet they have no standing at all. But there is one peculiarity connected with this second Syndicate. They have not the merit of being United States citizens, which some hon. gentlemen, the hon. Senator from Amherst among them, regard as a great desideratum. They are not likely to hand this monopoly, with all its rights and immunities over to Mr. Vanderbilt or Jay Gould, for the reason that being British subjects themselves they agree, if their proposition is accepted by the Govern-

ment, to open stock books in the chief cities of Canada, wherein any person blessed by a kind Providence with surplus capital may have a chance to join in this great Canadian work. I think that is a condition of things which every loyal citizen of this country would prefer to the condition of things mentioned by my hon. friend, and there is no use cavilling about the amount of money, or saying that the \$1,400,000 deposited is not as good a guarantee as no deposit. They have given a larger guarantee than was stipulated for, and before the first Syndicate have deposited a dollar for the purpose of going on with this work. They do not propose to restrict the future settlers in the North-West from the right which all municipalities ought to have of regulating their own affairs and imposing necessary taxation upon all lands within their limits. They are willing to pay customs duties on the materials which enter into the construction of the road. I know I can speak for my New Brunswick friend, the "backbone" of them. He is not particularly favorable to the National Policy, but I think he is willing to give a loyal obedience to the laws of the country, and willing, so far as the Syndicate goes, to pay his regular quota in the construction of this work, towards filling up a treasury which will need repleting and filling up, unless a merciful Providence continues to favor us with abundant harvests and continued good times. They ask for no railway monopoly at all. Some hon. gentlemen think monopolies are just the thing for a new country, and they throw around them the mantle of prophecy, and predict all manner of good things for the settlers in the North-West arising from this monopoly. This second Company also confer upon the Government the right to resume the road if they should wish to do so on any further occasion. They are also willing to be guided and governed more specifically in the matter of tolls and rates than the other Syndicate are. Then they say that if the people of the Dominion should at some future time decide that they cannot afford to open up the all rail route through our own territory and should say, "While we are sensitive about the rights acquired by British Columbia under the mad bargain made ten years ago, we in the

eastern end of the Dominion have also some rights and requirements to be attended to." When the people feeling this way find it desirable to suspend the construction of the eastern end and build a commercial route first, in order that Montreal may become a greater centre than it is, and the other leading cities assume large proportions, and the Government, according to the wishes of the people, whose servants they are, so decide, then these gentlemen bind themselves to construct the Sault line. But some hon. gentlemen say that this second Syndicate must be put down because they do not agree to build the line north of Lake Superior or to build the western section and run it—that they only agree to build the central section. Is that true? Why do hon. gentlemen put forward such statements as that to go forth to the country? There is nothing of the kind in the proposed agreement. They merely say if the people find that it is desirable that any portion of this work should be suspended and the Government so direct, they will be obedient to the Government and the people, and, therefore, the argument which has been so freely used is in reality no argument, and is, in fact, conclusive evidence to my mind that these hon. gentlemen are devoid of argument to sustain this policy which will meet with the reprobation of the people of Canada. One hon. gentleman says he deplores after all the mishaps which might have occurred to the Conservative party, of which he is a member, he feels more like offering congratulations than using arguments. Well, I have no doubt of that, because that is exactly what he did, for argument in favor of this Bill I could not discover in all his fine speech. And then we are told how dear to the people of Canada is this Conservative Government, but all through their speeches there cropped up expressions which indicated fear of the results of the next election, because they contended that the only harm in accepting the second offer would be the danger that in the event of a change of Government the two ends of the road would be abandoned and a Liberal Government might remain in power. Then, as to the financial connections of the second Syndicate, some hon. gentlemen have discovered that they have none. I have heard

the statement made, but not proved. Perhaps these hon. gentlemen know the capacity of these members for the work, for myself, I must say that I do not know, but I think it is unfair to traduce the character of Canadian gentlemen unless there is some proof for the statements. Some hon. gentlemen gravely stated we should support this Bill, although the bargain was made in secret for the reason that the Government are bound in honor to carry it out, and conceived when they made it that they had sufficient power to bind the people of this country without having consulted them. When I heard those observations I felt like saying to those gentlemen who uttered them, "Well, you are not in the Government yet." I do not propose now to dispute the fact that the honor of the Government is pledged, but the members of this House are not pledged, and the people of this country are not bound by this agreement. The contract must come before the three estates before it is ratified, and it is now before us for our acceptance or rejection. We have a higher duty than merely to register the decision of the other House, as suggested by the chief organ, and be prepared to abandon all the rights of this Senate. Why one hon. gentleman says that this is a bargain which we are bound to accept? The hon. gentleman from Toronto (Mr. Allen) said, "If you were to let a contract for the building of a house, and about the time the contractor was to commence work you should receive a much lower offer from another source, would you not feel that you were bound by your acceptance of the first offer?" That is quite true; but suppose, on the other hand, that the house was built by a tenant, and this contract which he had made was by the terms of his agreement itself, to be subject to the ratification of the landlord, and if before that contract was laid before the eyes of the landlord another offer, not only much cheaper, but also embracing conditions which would render the landlord's tenants for all time to come happier in every way, do you suppose that landlord would be acting dishonestly if he accepted the second offer, or at all events declined acceptance of the first till he could further consider and determine what was for the best? But we are treated, as before stated, when argument

fails, with abuse of the other side, and my hon. friend from Londonderry (Mr. McLelan), in the exuberance of his imagination, has devoted his power of ridicule to the late Liberal Administration, and then to the members of this second Syndicate—and he has taken rather a wide range, when he refers to Beaconsfield, Bradstreet and blue-jays to support his theories. It is well known with what energy and perseverance this honorable body labored to discover every possible waste of money, or mistake in policy, on the part of the late Government, and with what pertinacity the extra purchase of steel rails in a falling market, the seeming high value awarded for Kaministiquia lands, and the Neebing Hotel and Fort Frances Lock outlay, in order to utilize the large Tory expenditure on the Dawson route, were in this Chamber charged as mistakes only, but throughout the country, at every Conservative gathering, they were transformed into favoritism, corruption and crime. No matter how often it was explained that these transactions were largely the result of the initiatory policy of their predecessors, or errors of judgment on the part of engineers or of arbitrators—no matter how often these exaggerated charges were wholly and completely refuted or explained—they still must constitute the staple items of popular tirades, and be driven to use such paltry accusations, because those using them could find nothing more tangible. But, hon. gentlemen, what has the resuscitation of all this to do with this question now before the country? The ex-Premier, too, has been lengthily referred to in a very derogatory manner, but during the years of his administration of the Government, though laboring under the great disadvantage of following a reckless and extravagant Government, with the country committed to their unfortunate policies, and with the reduction of revenue arising from the great depression of trade all over the world, I have never yet heard one of his opponents bold enough to charge the ex-Premier with any wilful waste of public money, much less any corrupt application of funds for the benefit of himself or his friends. He may have, in the eyes of his opponents, made mistakes—who in this frail world has not—but no hon. gentleman in this Parliament has ever ventured to throw any discredit upon

him in the direction I have indicated, and when the future historian comes to draw truthfully the political portraits of the statesmen of the past decade, and a record of past Canadian episodes, be inscribed on history's pages, it will be an exceptionally striking memento for all future time, that in the midst of Canadian politics the five years of administration were so conducted that not one single charge of dishonesty or favoritism has been ever alleged against one whose great abilities were only employed for straightforward, honest purposes. In his references to the late hon. Premier my hon. friend might very properly under present circumstances, have used more moderation, and contented himself by suggesting that on Hon. Mr. Mackenzie's retirement from active political life he would inscribe over his portals merely the words *requiescat in pace*; but my hon. friend indicates as a suitable epitaph the old exploded election stories, "Steel rails," "Kaministiquia," &c., &c. Let me remind him that whenever he shall need such inscriptions for his leaders, he will have a very lengthy list of suggestive transactions from which he may select most appropriately. For one we might inscribe under heraldic devices "Only \$10,000 more." "These hands are clean." For another, who controls the railways of this country, and who is the prime mover in this Syndicate, we might find some very appropriate ones, but I will leave the hon. gentleman from Londonderry himself to make the selection, because, from the record of his earlier years in Nova Scotia, he could select one much more appropriate than any I wish to suggest. Of my hon. friend himself, whose keen satire may be at times wrongly directed, I cannot make any unfavorable reference. His talents and energy, employed so persistently in support of this Tory Government have been to it of invaluable service. He has, no doubt, misled his friends by contributing to his party a moral strength and a higher status—attributes so much needed—and after he shall have enjoyed the sweets of office, for which he is so well fitted, and retired to reflect over past exploits, I hope his political epitaph may be nothing worse than that proposed for an eminent Irish Statesman, and written by one who was a countryman and contemporary

of him, from whom both he and I claim a common ancestry:—

"Here lies our good statesman, whose genius
was such
We scarcely can praise it or blame it too much,
Who, born for the universe, narrow'd his mind,
And to party gave up what was meant for
mankind."

Already do hon. members begin to realize the danger of depending too much on the credulity of a misgoverned people. Political calumny and persistent abuse of the Liberal party and its trusted leaders may have for a day served an ignoble purpose; but, notwithstanding all the efforts of a subsidized press, the scales will fall from the people's eyes. And after the protest from the legislature of the prairie province; the still more emphatic expression of the people of that beautiful island Province of Prince Edward, who have so boldly spoken out in their own defence; the unmistakable indignation of the other Provinces down by the sea, where murmurings of discontent everywhere prevail; after the signal failure of the very able advocates of this measure to show its usefulness or safety—the sophistry employed to gloss over its hideous defects—after another and infinitely better offer has been made by a Canadian company, which would save to Canada, not only money, but also her commerce, her credit, her character and the loyalty of her people; after every effort which has been made to point out the enormity of this proceeding; its great dangers in the light of past Canadian history, and the unnecessary financial burthen it will impose; and if, ignoring any reference to popular will, on such a new and stupendous question, over which the people shall not in the future exercise sufficient control, the right hon. gentleman, who enjoys such personal influence and possesses so many subservient supporters, is deliberately determined to force this secret bargain on an unwilling people and bind and shackle for all coming time this young Dominion; then, I say—and I say it without personal ill feeling, but purely in a political sense—that, applicable to him are those words of an English poet, addressed to one of the earlier kings of Britain, when a royal edict went forth to destroy the bards of Wales, because they warned the people of their principality of

the dangers which beset them from the exactions and tyranny of their royal masters:

"Ruin seize thee, ruthless king!
Confusion on thy banners wait,
Tho' fann'd by conquest's crimson wing,
They mock the air with idle state.
Helm nor hauberk's twisted mail,
Nor e'en thy virtues, tyrant, shall avail
To save thy secret soul from nightly fears,
From Cambria's curse, from Cambria's
tears!"

If "Canada" be substituted for Cambria the similitude will be more complete. I desire again to apologize, hon. gentlemen, for so long claiming your attention, and to express my gratitude for the extraordinary patience and kindness which have been at this late hour and stage of the debate extended to me. I am aware that all around me are gentlemen in wealth, in political experience, in influence and talent vastly my superiors, and many of whose opinions I am too feebly endeavoring to controvert. If I have spoken, at times, too warmly, my words have only indicated my feelings. I have spoken from no partisan stand point. The obligations to a party pale before obligations to one's country. Canada is the land of my birth; in it I hope to live and expect to die, and all through the course of this debate I have wished for the power and eloquence of my hon. friend from Cumberland, who so well "commands the applause of a listening Senate," or the free and fluent tongue of the hon. gentleman from Richmond, so silent now on this question, whose speeches in his earlier provincial career in defence of popular rights I used to read with pleasure; or the advantages of many other gentlemen around, whose potent utterances are so often heard in this Chamber, and then I might show more forcibly to the people's representatives the hideous character of this proposition in all its naked deformity, and I would more effectively point out that if hon. gentlemen hope to maintain a proper respect for the functions and rights, and usefulness of this Chamber, especially in guarding provincial rights; if they wish to retain for their Government a place in the hearts and affections of the Canadian people; if they desire to preserve the loyalty of those who toil for daily bread while the favored few are clothed in fine linen and fare sumptuously; if they wish

to preserve the welfare and promote the prosperity of the people of Canada, they will pause before they irrevocably ratify an act so injudicious and dangerous in its results to the best interests of our common country.

MR. BURPEE.

February 24th, 1881.

Mr. BURPEE (St. John), said: I notice that in all the speeches made from the other side of the House, one prominent assertion is invariably made, and that is to charge the late Government with the depression which existed from 1876 to 1878. They also claim that by their restoration to power, and by the operations of the National Policy, prosperity was restored to the country. Now, when it is known, that from Confederation down to 1873-74, the country had seven or eight years of great prosperity,—that every industry of the country—including that of agriculture, was prosperous and profitable; that the imports of the country had grown from \$73,500,000 to \$123,000,000; that our exports had increased from \$57,000,000 to upwards of \$90,000,000; that the revenue of the country had increased from \$13,500,000 to \$24,500,000; and that on expenditure had also increased from \$13,500,000 to \$24,500,000; when it was known that all these rapid increases took place during these years of prosperity, we might be sure that when a depression did come, it would tax the people of the country to the utmost, and be felt very severely throughout the whole Dominion. Depressions are certain to follow periods of prosperity. I might call the attention of the hon. gentlemen opposite to the depression that existed between 1858 and 1864, in all parts of this country. In old Canada there were deficits there of \$12,150,000, interest was paid at the rate of 8 per cent., and her bonds were selling at 75c. on the dollar. It was under Tory rule that this great depression existed with this great falling off in the revenue. We have had periods of depression in the past, and we will have them again. The

Government are pursuing the same course now that they did between 1868 and 1873. They are not only increasing our Revenue by increasing the taxation, but they are increasing the expenditure to an enormous extent. As we go on increasing our expenditure and our taxation, the result will be by-and-bye that when another period of depression comes, as come it surely will, we shall have other deficits larger than those which have already taken place.

When the late Government came into power they assumed a debt which necessitated a provision for nearly \$4,000,000 of additional taxation, as a result of the imprudent policy of their predecessors. It must also be remembered that importations at that time decreased very largely, not owing so much to the quantity as to the value of the goods that were imported. During the years 1876, 1877 and 1878, there was a depreciation in the value of the goods imported from Great Britain of from 35 to 50 per cent. Iron goods depreciated in value from £12 to £6 per ton. Hardware depreciated some 35 per cent. Cotton and woollens depreciated largely, and during these three years the depreciation was so large that the loss to the Revenue in consequence was equal to \$4,300,000. That estimate was made by experienced importers based on careful data. That sum would have more than paid the deficit that took place during these three years of \$4,100,000 under the late Government. If we take into consideration that decrease in the Revenue, and also the enormous burdens assumed by the late Government as a legacy from their predecessors, is it any wonder that these deficits occurred? The Hon. Finance Minister referred in his speech to his having left the country in 1873 in a prosperous condition, to having a surplus last year, and a large revenue to meet all the expenses. He said that on his return to Parliament in 1879, he found the country under great depression, and everything in a most lamentable condition. The improvement that has since taken place he attributes almost entirely to the National Policy, leaving but very little to the credit of Providence. Sir, the depression that took place during our administration existed not alone in Canada, but throughout the United States, Great Britain and and Europe. Our present improved con-

dition is due to many causes, and very largely to the increased prosperity in the United States, which has reacted upon the Dominion. The increased prosperity in the United States has stimulated a demand for Canadian lumber, and for some others of our products. The citizens of Ottawa are aware of a greatly increased lumber trade, and in almost every instance this lumber has found a market in the United States from this locality, and in Great Britain from the Maritime Provinces.

It being Six o'clock, the Speaker left the Chair.

AFTER RECESS.

Mr. Speaker, in addition to the advantages we have derived from the improvement of the lumber trade, our agriculturists have had, during the past two years, excellent crops, and our exports have been exceedingly large, not only in grain of all kinds but in animals and their products. During the year ending June 30, 1880, the excess of our exports of lumber, animals and their products, and grain, over our exports for the year 1879, was \$10,000,000; and during the six months ending December 31, 1880, our exports of these same productions exceeded our exports for the six months ending December 31, 1879, by \$10,000,000 more, so that during these eighteen months, \$20,000,000 worth of lumber and agricultural products were sold in the markets of the United States and Great Britain, and that amount of cash came into this country, as the following table will show: They only deal with the Exports of Canadian produce.

EXPORTS OF THE PRODUCE OF CANADA.

	1879.	1880.
Lumber Exported.....	\$13,261,459.	16,854,507
Animals & their products	4,100,691.	17,607,577
Agricultural products.....	19,628,464.	22,294,328
	\$46,990,527.	56,756,412
For the six months ending December 31, 1879 and 1880, compared.		
	1879.	1880.
Lumber.....	\$10,169,689.	17,895,282
Animals & their products	10,724,915.	13,658,863
Agricultural products.....	14,786,903.	13,856,883
	\$35,681,507	45,556,028

These enormous exports of the production of the forest and the field, have put a

ses, and very
prosperity in the
ected upon
prosperity
nulated a de-
and for some
the citizens of
tly increased
st every in-
a market in
locality, and
the Maritime

Speaker left

the advan-
the improve-
our agricul-
the past two
our exports
not only in
animals and
year ending
our exports
products, and
the year 1879,
ing the six
1880, our
ns exceeded
the ending
0,000 more,
in months,
and agri-
the markets
at Britain,
into this
will show:
Exports of

CANADA.

1880.
16,854,507
17,607,577
22,294,328
56,756,412
er 31, 1879
1880.
17,895,282
13,045,863
13,866,883
45,558,028
roduction
ve put a

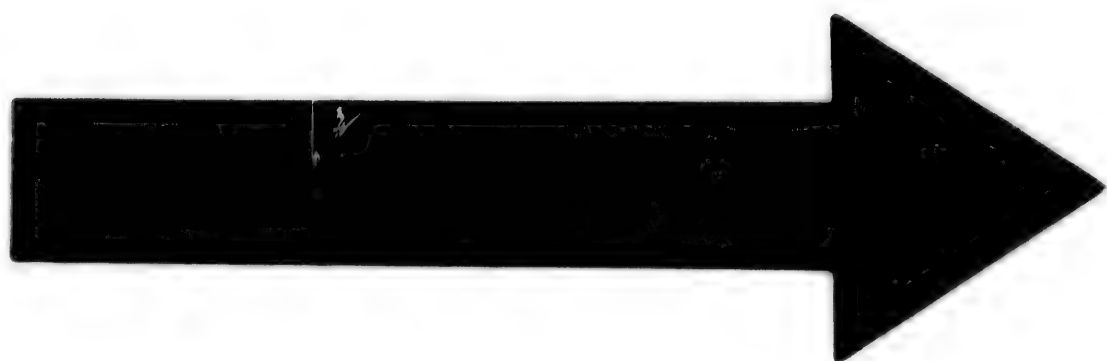
vast amount of money into circulation and given our manufactories an increased trade also. I do not wish to ignore the fact that our manufacturing industries contribute largely to the prosperity of this or any other country where they exist, but I contend that under a Revenue Tariff, with the exception of the sugar refineries and the cotton and woollen manufactories our manufactures were in as good a position as they are now under a Protective Tariff. In 1871-2 our manufactures were exceedingly prosperous in all parts of the Dominion. But in a period of great depression they naturally suffered in common with other industries. Compare the excess of our exports of lumber and farm produce which brought \$20,000,000 into the Dominion during the past eighteen months, with the previous three or four years of depression when there was a decrease in those exports of over \$15,000,000. When we consider these large exports, I think we find in them an explanation of the prosperity we now enjoy, though they are in no way benefited by the National Policy, but hampered by taxation. The net increase in the exports of 1880 as compared with those of 1879 was, of lumber, \$3,593,000; of animals and their products, \$3,507,000; of agricultural produce, \$2,700,000, making in round numbers \$10,000,000. To show, Mr. Speaker, how our exports of farm produce have increased in grain alone, in the years, viz:

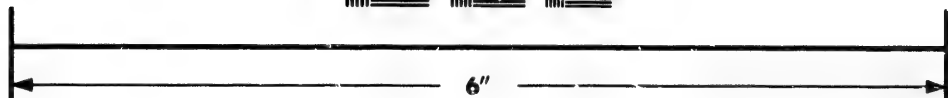
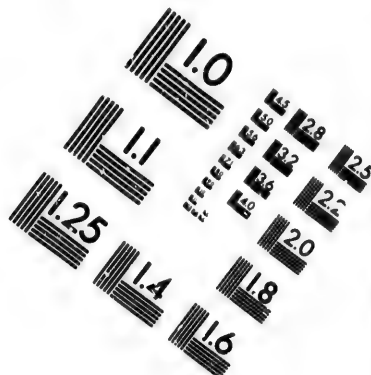
	Imported.	Exported.	Excess of Exports.
1877—	19,259,847	21,757,877	\$2,498,030 bush.
1878—	18,383,864	28,701,954	10,318,090 bush.
1879—	17,302,248	29,955,059	12,652,811 bush.
1880—	15,555,014	36,961,849	21,406,835 bush.

showing an excess of exports over imports of 47,000,000 bushels of grain during the last four years, of which nearly one-half was in last year. The excess of exports of wheat last year was, 6,889,000 bushels; of barley, 7,226,000 bushels; and in other grains, 9,408,000 bushels. Then, Mr. Speaker, in another way to show how our production of grain has increased, I may say that in wheat and wheat flour our production was less in the year 1877 than our consumption by 2,403,000 bushels, but in 1878 it increased, &c., as will be seen:

	Production.	Consumption.	Bushels.
1877—	20,736,007	23,138,928	deficit, 2,403,000
1878—	27,816,892	24,128,850	surplus, 3,688,042
1879—	30,706,137	24,471,600	" 6,324,337
1880—	31,662,234	24,772,800	" 6,889,494

showing a surplus for the last three years of our production of wheat, our consumption of 17,000,000 bushels. All this proves how our farm produce has very greatly increased within the last three years, which accounts for our increased prosperity. Mr. Speaker, from 1870 to 1874, our increased expenditure followed closely upon our revenue, and from the statement of the Hon. Finance Minister, as to the expenditure of 1881 and the estimated expenditure of 1882, the same process is going on now under the new system of taxation by the same Government. As our revenue and expenditure increases, our debt increases also, and if the Estimates of 1882 are carried out, our debt will reach \$184,000,000, which is equal to about \$43.50 per head of the population. Mr. Speaker, with this increasing expenditure going on year after year, and this growing debt, we shall find when the times change, as they surely will—when the crisis comes—when an end comes to the speculative and extravagant expenditures now going on, we will be driven into the same depressed condition as we were in 1876-7-8, and we will experience deficits immeasurably larger than any we have had since Confederation. The expenditures in the North-West are assuming immense proportions. According to the statements made and the Estimates brought down, the expenditure on the Indian service will reach \$860,000 this year. On looking over the Public Accounts for several years back, I find that for the items of the North-West Mounted Police, Indians, Dominion Lands, Dawson route and Dominion Forces, our expenditure each year was as follows: In 1871, \$949,000; in 1872, \$1,031,000; in 1873, \$795,000; in 1874, \$1,052,000; in 1875, \$1,191,000; in 1876, \$1,479,000; in 1877, \$1,124,000; in 1878, \$980,000; in 1879, \$1,100,000; in 1880, \$1,500,000; making a total expenditure for these services, in ten years, of \$11,793,000, (and still increasing), that the North-West and Manitoba received out of the Consolidated Fund since the year 1871. Mr. Speaker, the Hon. Minister of Finance referred to some statements in previous





Photographic Sciences Corporation

**23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503**

28
25
22
20
18

10

speeches about the charges that their policy would break up the Union of the Provinces. I do not believe there is any danger of breaking up the Union. Our people are an enterprising people, who will be found equal to almost any emergency. Our country will have times of prosperity as well as times of depression. I have faith enough in the country to believe there is no danger of breaking up Confederation, but what a Government have most particularly to guard against is keeping our people from being discontented. The policy of the present Government is not one calculated to make the different Provinces contented; it is not such a policy as was promised at the time the Confederation was formed. Then it was understood, especially by the Maritime Provinces, that their taxes would not be increased, now they are more than doubled. In that respect those Provinces are very much disappointed. They are discontented at the largely increased expenditure made and going on in the western part of the Dominion, and with their trade relations with the Western Provinces. They were led to believe that their manufactures would increase rapidly, that they would have a large export as well as import trade between these Provinces. To-day, however, their exports are not much larger than they were before Confederation, while their imports are excessively large, several millions annually, and increased by the operations of the National Policy. The Hon. Finance Minister in referring to the taxation of the different Provinces under present Tariff, trying to show there was no increase particularly to the Lower Provinces, unfortunately compared the years 1879-1880, as it is well known the present tariff was in operation during a part of 1879, the comparison between those two years was therefore an unfair one. The hon. member for Niagara referred to the percentage of duties collected in New Brunswick in 1877, being 28 per cent., and to-day 21 $\frac{1}{2}$ per cent., showing a decrease. There is an error in the returns for the year 1877. The duty on imports in 1877 for New Brunswick was 15 $\frac{3}{4}$ per cent., instead of 28 per cent.; and the percentage of duty in 1880 is 21 $\frac{1}{2}$ per cent., or a 6 per cent. increase instead of a reduction. To show more fully the nature of the trade in the different Provinces and the taxation, let us compare Ontario and

Quebec with Nova Scotia and New Brunswick since Confederation. In the year 1866 the imports into Ontario and Quebec amounted to \$53,832,000 and the rate of duty was 13 $\frac{1}{2}$ per cent. The average importation for 13 years, from 1868 to 1880, for Ontario and Quebec was \$75,147,541 annually, making an increase in the year 1880 of \$21,345,222 over the year 1866; and the duty 1880, 19 $\frac{1}{2}$ per cent., an increase in rate of duty 5 $\frac{1}{2}$ per cent. The imports of Nova Scotia in 1866 amounted to \$13,025,433, and the rate of duty was 9 $\frac{1}{2}$ per cent. In the year 1880 the imports amounted to \$6,138,938—a decrease between the two years 1866 and 1880 of \$6,886,000—while the rate of duty is increased to 20 per cent., an increase of 10 $\frac{1}{2}$ per cent. taxation, and a reduction of the imports of nearly one-half. The decrease of imports for the 13 years from 1868 to 1880, as compared with 1866, was \$55,000,000. In New Brunswick in 1866 the importations were \$10,000,794, and the rate of duty was 10 per cent., in year 1880 the imports, \$3,996,698, and the rate of duty 22 per cent., a decrease of importation of over \$6,000,000, and an increase of 12 per cent. taxation. If we take the importations of 1866 for New Brunswick and apply the Tariff of 1880 to each item, we would obtain for Customs alone, \$2,845,000, or 28 per cent. as against \$1,033,609 in 1866, or 10 per cent. This shows most conclusively the rate of increased taxation upon the importations of the Maritime Provinces. If we take an average of 13 years between 1868 and 1880, we have a decrease in the importations of New Brunswick, as compared with the year 1866, of \$33,000,000, and we now pay a Customs taxation of \$2,845,000 per annum, as compared with \$1,033,000 in 1866. The following table shows the changed condition of trade and taxation the year before Confederation and now:

It is not at all likely that our consumption in the Maritime Provinces is any less to-day than it was in 1866. The probability is it is a great deal more. Our people have increased as a consuming population whether they have increased in numbers or not. There is no doubt but our imports into Nova Scotia and New Brunswick to-day are larger than in 1866; And the enormous falling off in Nova Scotia and New Brunswick imports, is supplied from Ontario and Quebec, and this diversion of trade will increase as taxation increases. The present Tariff has more than doubled the taxation of the Maritime Provinces since Confederation. Mr. Speaker, I produce these figures to show that in addition to the enormous increased burdens of taxation, the great decrease of their trade is a cause for dissatisfaction, and no wonder. The very fact of the importations of New Brunswick being reduced from \$10,000,000 in 1866 down to \$3,996,000 in 1880, is something that is alarming. The Hon. Minister of Finance referred to the statement made by me in the year 1879 in this House, that his Tariff if applied item after item to the importations of 1878, would produce something like \$7,000,000 taxation, and doubted the statement. I most distinctly stated that if the Tariff then introduced was applied to the importations of that year, it would produce that result. There is one plain way of proving the truth of the greater part of the calculation at once. In 1878 the imports for consumption amounted to \$91,199,577, on which a duty was collected of \$12,725,693. In 1880 the Tariff, as per trade returns averaged 19½ per cent. That percentage applied to the importations of 1878, would produce a Revenue of \$18,126,000, which gives an excess to the importations of 1878 of \$5,330,000. That does not prove the whole case, The Tariff has changed the importations of certain articles in such a way that it will produce more if it is taken item by item and applied to 1878 imports, but in order to make it plain I have just taken the Tariff of the two years, and the result is an excess of \$5,330,000. I maintain also, as I will show further on that we have lost in revenue \$730,000 in the sugar duties, by the operation of the present Tariff, as compared with the Tariff of 1878. And this amount must be added to the \$5,330,000, which will make \$6,060,000 of which I spoke in 1879, as the increased taxation. This it is impossible to contradict. And if the Tariff was applied to the several items of 1878 imports, it would produce the \$7,000,000 increased taxation, divided between the revenue and the manufactures. With regard to manufactures, I do not believe that with the exception of the cotton and woollen manufacturers, and refiners of sugar, they are in any better position than there were under the Revenue Tariff of 1878, in consequence of the increased taxation on machinery and raw materials.

It is not at all likely that our consumption in the Maritime Provinces is any less to-day than it was in 1866. The probability is it is a great deal more. Our people have increased as a consuming population whether they have increased in numbers or not. There is no doubt but our imports into Nova Scotia and New Brunswick to-day are larger than in 1866 ; And the enormous falling off in Nova Scotia and New Brunswick imports, is supplied from Ontario and Quebec, and this diversion of trade will increase as taxation increases. The present Tariff has more than doubled the taxation of the Maritime Provinces since Confederation. Mr. Speaker, I produce these figures to show that in addition to the enormous increased burdens of taxation, the great decrease of their trade is a cause for dissatisfaction, and no wonder. The very fact of the importations of New Brunswick being reduced from \$10,000,000 in 1866 down to \$3,996,000 in 1880, is something that is alarming. The Hon. Minister of Finance referred to the statement made by me in the year 1879 in this House, that his Tariff if applied item after item to the importations of 1878, would produce something like \$7,000,000 taxation, and doubted the statement. I most distinctly stated that if the Tariff then introduced was applied to the importations of that year, it would produce that result. There is one plain way of proving the truth of the greater part of the calculation at once. In 1878 the imports for consumption

Mr. RYAN (Montreal): What about the silk manufactory?

Mr. BURPEE: We will come to that by-and-bye. Mr. Speaker, the Minister of Finance the other day compared the prices of cotton goods in Canada with those in the United States. Such is not a proper comparison. The duty on cotton goods coming into the United States is equal to 50 or 60 per cent. It would be very strange if Canada could not produce cottons as cheaply under these circumstances, as such a highly protected country as the States. No argument in favour of the cheapness of cottons in Canada was applicable by a comparison of prices with these sold in the United States manufacturies under a highly protected tariff. Mr. Speaker, I would like to know on what principle we admit machinery of all kinds for the manufacture of cotton and woollen goods free of duty, and tax all other manufactures so heavily. In addition, we admit the raw materials and dye stuffs all free. Last year the profits of the cotton manufacturers were from 30 to 40 per cent on the manufactured article. They are enjoying enormous protection, and declaring profits equal to 40 per cent per annum. Under these circumstances, the question arises why cotton and woollen manufacturers should be so highly protected and have all machinery free, while much less aid is given to other industries struggling for existence. Why should not the carriage manufacturers, the boot and shoe manufacturers, the foundry business, the furniture manufacturers, the agricultural implements makers, the sewing machine makers, &c., &c., have their machinery free also? I have obtained statistics from these manufacturers, and I find the following comparison under the Tariff of 1878 and 1879, as to increased taxation. Carriage manufacturers, a tax on machinery increased from 10 to 25 per cent.; materials used for manufacturing, increased from 13½ to 23 per cent.; boots and shoes, manufacturing machinery increased from 10 to 25 per cent.; materials from 10 to 12 per cent.; foundry machinery from 10 to 25 per cent.; materials from 4½ to 14½ per cent.; furniture manufacturers machinery from 10 to 25 per cent.; materials from 5½ to 8½ per cent.; agricultural implement makers' machinery from 10 to 25 per cent.; materials from 6½ to

16 per cent. The same applies to sewing machine makers, musical instrument makers, &c. Nail manufacturers' machinery is increased from 10 to 25 per cent.; raw material from 6½ to 20 per cent. These increases of duty on the raw materials and machinery used for manufacturing are equivalent to the additional duty placed on the manufactured article imported from abroad, and these facts substantiate my statement, that with the exception of cotton and woollen manufacturers and sugar refiners, the manufacturers are no better off than under the former Tariff of 1878. Indeed, they have this disadvantage of being compelled to use more capital to carry on their business than under the old Tariff. Mr. Speaker, with respect to the lumber business, the Finance Minister stated the increased taxation on this industry by the present Tariff was only about one per cent. I, Sir, have taken pains to ascertain the increased rate of duty on supplies used in lumbering, more particularly in New Brunswick, and I find, on careful comparison, the increase is from 10½ to 22 per cent., an increase tax of 11 per cent. This industry has an estimated capital in Canada of \$100,000,000, its exports and consumption reach the enormous sum of \$30,000,000 annually on an average. The cost of labour in this lumber trade is estimated at 65 per cent. of the value of the lumber. All this shows that this is an industry very lucrative to the country, and which should not have been subjected to such additional taxation. It so fluctuates, that very few engaged in it for a series of years make fortunes, but the country benefits as it gives employment to 84,000 of our men and supports over 400,000 of the people of Canada. This calculation has been carefully made by some of the most experienced lumbermen in the country, and I believe the Finance Minister will find it perfectly correct. The member for Montreal (Mr. Coursol,) spoke of the shipping trade, saying the Tariff in regard to the shipping interest was perfectly satisfactory. I know, Sir, that it has not proved so to the shipbuilders in New Brunswick. A number of the most experienced shipbuilders in New Brunswick submitted to the Finance Minister an estimate of the taxation under the new Tariff at \$1.85 per ton as compared with 80c. before. This I pre-

sume includes some articles manufactured in the country. But I maintain, and so will the country and shipbuilders, that whether the products of the country be included or not, the new Tariff raises their prices to an equality with the articles imported. It is a sound rule of political economy that under protection prices will increase in proportion to the duties on the imports. In 1865 the duty per ton on ship materials was 52c. per ton, in 1873 it was 60c. per ton, and in 1878, 80c. per ton, and in 1879, accepting the estimate as prepared by the shipbuilders—which I believe to be correct, it was at least \$1.85 per ton. I believe the new regulations as to drawback made last year are satisfactory so far as the mode of its payment goes. But the shipbuilders complain that it is not large enough, and does not make up what they have to pay in addition to that levied by the Tariff of 1878. Mr. Speaker to show the present condition of that industry and how it has declined of late, I will submit some statistics with regard to the Maritime Provinces, as they are so directly interested. The tonnage of ships, built in Nova Scotia and New Brunswick was:

	Nova Scotia	New Brunswick
1872 Built	52,882 tons	Built 36,465 tons
1873 "	63,000 "	" 42,701 "
1874 "	74,769 "	" 46,663 "
1875 "	84,800 "	" 47,966 "
1876 "	69,087 "	" 38,794 "
1877 "	50,530 "	" 33,115 "
1878 "	47,639 "	" 26,306 "
1879 "	50,975 "	" 32,135 "
1880 "	38,252 "	" 14,528 "

This, Mr. Speaker, shows that the ship building trade in the Lower Provinces is now reduced to the smallest proportions known since the year 1830. The Finance Minister also referred to the exports of shipping, and said that the increase in the exports of 1878 was largely due to a transfer in shipping that year from the people of Nova Scotia, New Brunswick and Prince Edward Island, to parties to whom they

were indebted in Great Britain, as they were unable to hold them in their own name any longer. I never heard that argument before, and I believe there is nothing in it. The shipbuilders and shipowners in the Maritime Provinces, own and control their shipping almost exclusively, and the exports or sale of ship form only a mite of what is built. It is rare indeed that ships built with us are not owned by a large number of persons who can afford to hold their shares. The result would be in case of great depression, the parties who built and owned these ships would not sacrifice or sell at unremunerative prices. In that year the shipping that was sold realized something like \$40.00 per ton, which would not have been the price if it had been transferred under mortgage to other parties. Again the shipping sold in previous years will answer the argument used by the Finance Minister, for example, in 1876 we exported shipping to the amount of \$2,189,270; in 1877, \$1,576,244; in 1878, \$1,218,145; in 1879, \$529,824; 1880, \$464,327. This shows that there has been a great falling off under the new Tariff, even with the few ships we built for sale. Sir, the increased taxation of 1879 does very much militate against this industry in the Lower Provinces. We might bring a parallel case to show the nature of increased taxation on the shipping interest. If we go to the United States we find that in 1856, 75 per cent of their carrying trade was done on their own vessels; in 1870, it was 35 per cent; in 1880 it was only 17 per cent., showing that the carrying trade of that country has almost entirely gone out of its hands. High taxation has driven its ships from the sea. Sir, with regard to manufactured goods we do not find that the great increase in manufacturing in Canada, so much talked about, has stopped the importation of foreign goods, as the following table will show:

Importation.	1878.	1879.	1880.
Agricultural Implements	126,326	241,523	143,725
Books	894,370	797,011	935,079
Candles and Soap	99,490	103,296	90,338
Carriages	85,634	135,725	137,443
Cordage	227,915	192,646	150,029
Cottons manufactured	7,254,818	6,528,588	7,863,004
Grindstones	18,752	16,457	11,750
Gypsum Ground	16,488	65,330	77,397
Hats and Caps	1,053,365	938,583	968,531
India Rubber, manufactured	249,061	237,111	456,319
Machinery	516,035	427,154	507,942
Iron, Hardware, &c.	8,506,578	7,108,978	10,039,235
Miscellaneous	4,561,149	4,763,878	4,210,521

So we might go on with many other articles and show that the importation of goods into the country is not stopped by putting on large taxation. The same results show by the returns in the *Canada Gazette* for six months.

IMPORTS LEADING ARTICLES.

	Value.	Duty.
Cotton Goods Imp. 1880	\$7,824,264	\$1,624,684
do $\frac{1}{2}$ year ..	3,948,373	866,332
Woolen Goods ..	6,296,769	1,638,894
do $\frac{1}{2}$ year ..	4,315,385	1,161,937
Grain and Flour ..	1,753,237	259,589
do $\frac{1}{2}$ year ..	906,052	130,000
Coal 981,179 tons ..	2,748,951	505,610
do $\frac{1}{2}$ year ..	2,046,127	328,025
Iron & steel goods ..	6,924,993	1,367,691
do $\frac{1}{2}$ year ..	3,939,430	770,160

These statistics show that with all the Protective Tariff you can put on a country will not have the effect of decreasing importation, if the country is prosperous. The following figures show the increases

which have taken place in the imports by the United States of British goods in 1880 as compared with 1879 :

Cotton	\$ 10,001,056
Flax	8,677,038
Glass ware	2,000,000
Iron and Steel	44,271,972
Leather	4,648,179
Silk manufacture	8,175,292
Sugars	6,896,485
Lin manufactures	7,075,806
Tobacco	1,500,000
Woolen goods	28,251,697
Zinc	3,459,000

These figures show that what is true of Canada under a protective system has been demonstrated by the experience of the United States.

Now with regard to the sugar question, the following table will enable us to explain the operations of the Tariff on this industry for the years 1878 and 1880.

1878 IMPORTS.			
	Lbs.	Value.	Duty.
No. 13 and above	93,420,878	\$5,419,715	\$2,289,840
9 to 13	10,624,336	517,528	209,066
Below 9	1,108,065	44,825	16,749
Melado	16,894	438	173
Syrups, &c.	3,711,747	115,101	51,974
	108,951,920	6,097,677	2,567,802

1880 IMPORTS.			
	Lbs.	Value.	Duty.
Above 14	18,885,150	\$ 824,887	\$ 477,564
9 to 14	56,403,251	1,847,205	977,188
Below 9	30,690,925	958,364	440,963
Melado	7,639,332	180,635	82,838
Syrup, &c.	3,228,392	93,196	48,139
	116,847,050	3,904,287	2,026,692

Mr. Speaker, in this calculation if we add the increased quantity imported in 1880, to the imports of 1878, and maintain the same proportion of qualities as 1878, the application of 1878 tariff would produce a revenue of \$2,753,941, whereas the Revenue of 1880 is only \$2,026,692, thus showing conclusively a loss to the Revenue under the operations of the present Tariff on the imports of 1880 of \$728,249.

Now with regard to the taxation on sugar, I have made analysis of the prices in New York and Montreal for the twelve months ending in June last. I received a regular weekly circular from a large sugar house in New York, showing the prices of their sugar in bond for each week during that period. I took the average from these circulars. I find that for the year the average is \$6.13 per hundred pounds, adding the duty according to the Tariff of 1878; that is \$2.53, and we have \$8.66. I make the average for Montreal during the same period five cents less per hundred pounds than the Minister of Finance that is \$9.70. Deducting \$8.66 from \$9.70, we have \$1.04, which represents the additional taxation on every hundred pounds of granulated sugar sold in the Dominion under the new Tariff. So far as Montreal is concerned, as it is close to the refiners and the cost of carriage is small the amount will not, perhaps, be

quite so large, but for other parts of the Dominion the cost of carriage will be greater than from New York. Last summer the carriage of sugar from Montreal to St. John cost 35 cents per one hundred pounds, while from New York to St. John it was only 15 to 20 cents per one hundred pounds. That rate would also apply to the western part of Canada, to Nova Scotia and Prince Edwards, Island. Therefore, it is a fair presumption that the excess of charge on the largest portion of the consumers in the Dominion would more than effect what consumed in the city of Montreal I think the comparison is a correct one, and it shows that \$1.04 per one hundred pounds is the additional taxation in sugar consumed in Canada, giving a loss to the Revenue as compared with the old Tariff of \$726,245. The diversion of trade caused by the operation of the refining business, effects to a great extent the shipping interest that was referred to by the Minister of Finance. Sugar, whether imported raw or refined, has to pay the freight, and has it is mostly brought to Montreal the freight is collected there. The trade has been diverted almost entirely from the Lower Provinces and Ontario to Montreal, as will appear by the following statement:

IMPORTS OF SUGAR PER PROVINCES, 1878-1880.

and 1880.

		1878.			1880.		
	Ontario.	Lbs.	Value.	Duty.	Lbs.	Value.	Duty.
Duty.	Above 13.....	48,446,523	2,804,713	1,185,644	6,309,970	277,534	160,235
2,289,840	9 to 13	7,968,682	389,926	157,248	8,988,126	342,346	170,115
209,066	Below 9	97,034	4,092	1,508	720,172	27,509	11,854
16,749	Melado, &c.....	15,249	398	157	3,445	153	59
173	Cane Juice, &c.....	2,487,157	76,318	34,624	2,277,502	66,263	34,114
51,974							
2,567,802							
Duty.							
477,564		59,014,645	\$3,275,447	\$1,379,181	18,299,215	\$703,805	\$376,477
977,188							
440,963							
82,838							
48,139							
2,026,692							

IMPORTS.—Continued.

<i>Quebec.</i>							
13.....	27,554,311	1,555,476	671,912	3,041,671	127,531	75,053	
9 to 13.....	1,826,194	87,963	35,687	42,649,070	1,352,212	725,532	
Below 9.....	970,252	38,707	14,528	29,472,306	914,523	421,719	
Melado, &c.....				7,554,482	179,087	82,055	
Cane Juice, &c.....	1,014,123	28,673	13,507	786,630	18,425	10,332	
	31,364,880	\$1,740,819	\$735,634	83,504,159	\$2,761,778	\$1,314,691	
<i>Nova Scotia.</i>							
13 and above.....	7,171,621	408,102	173,742	4,513,457	161,257	101,574	
9 to 13.....	682,486	33,203	13,420	3,648,176	113,747	61,485	
Below 9.....	36,967	1,653	589	419,070	13,652	6,191	
Melado, &c.....	15	1		81,405	1,395	724	
Cane Juice, &c.....	74,935	12,076	3,707	2,200	89	40	
	7,966,024	\$455,035	\$191,518	8,614,308	\$290,140	\$170,014	
<i>New Brunswick.</i>							
13 and above.....	6,702,666	387,741	163,967	3,233,053	142,828	82,320	
9 to 13.....	7,058	291	126	704,811	24,465	12,626	
Below 9.....	1,512	78	27	8,825	304	136	
Melado, &c.....	1,630	39	16				
Cane Juice, &c.....	17,025	755	299	3,272	185	61	
	6,730,491	\$388,924	\$164,435	3,949,961	\$167,784	\$95,143	

I do not intend to take up the time of the House any longer. I think I have shown conclusively that the Tariff has not operated in the interests of the people, and that the increase of taxation, necessitated by the increased expenditure will produce before many years deficits larger than those we had in 1858 and 1864.

531	75,053
212	725,532
523	421,719
087	82,055
425	10,332

7778 \$1,314,691

257	101,574
747	61,485
652	6,191
395	724
89	40

140 \$170,014

828	82,820
485	12,626
306	136
...	
185	61

784 \$95,143

expenditure-
years deficits
in 1858 and